



# Building An Ethical Culture For The Firm Of The Future

Great performance can never come without great  
people and great culture

HFMA 2020

## Levels of ethical influence

\_\_\_\_\_ level

- Firm culture – setting the tone
- Firm leadership – walking the talk

\_\_\_\_\_ level

- How you understand and tolerate others in order to work together effectively

\_\_\_\_\_ level

- The role of you
- How your personality influences your approach to ethical decision making

## Busting Ethical Decision-Making Myths

1. Ethical Decision-Making is \_\_\_\_\_ easy

- Cognitively sophisticated
- Complex
- Several places to fail

2. It's not just the \_\_\_\_\_ Apples

- They are out there
- Good people are the most responsible

3. Ethical Decision-Making \_\_\_\_\_ taught

- Best age to teach it is \_\_\_\_\_

## Moral Cognitive Development - how our brain morally mature

1. Pre- \_\_\_\_\_

Thinking, feeling and behavior are significantly influenced by the pleasure of reward and the fear of punishment.

Age group this level is mostly associated with:

2. \_\_\_\_\_

Thinking, feeling and behavior are significantly influenced by the acceptance of others and group norms of behavior.

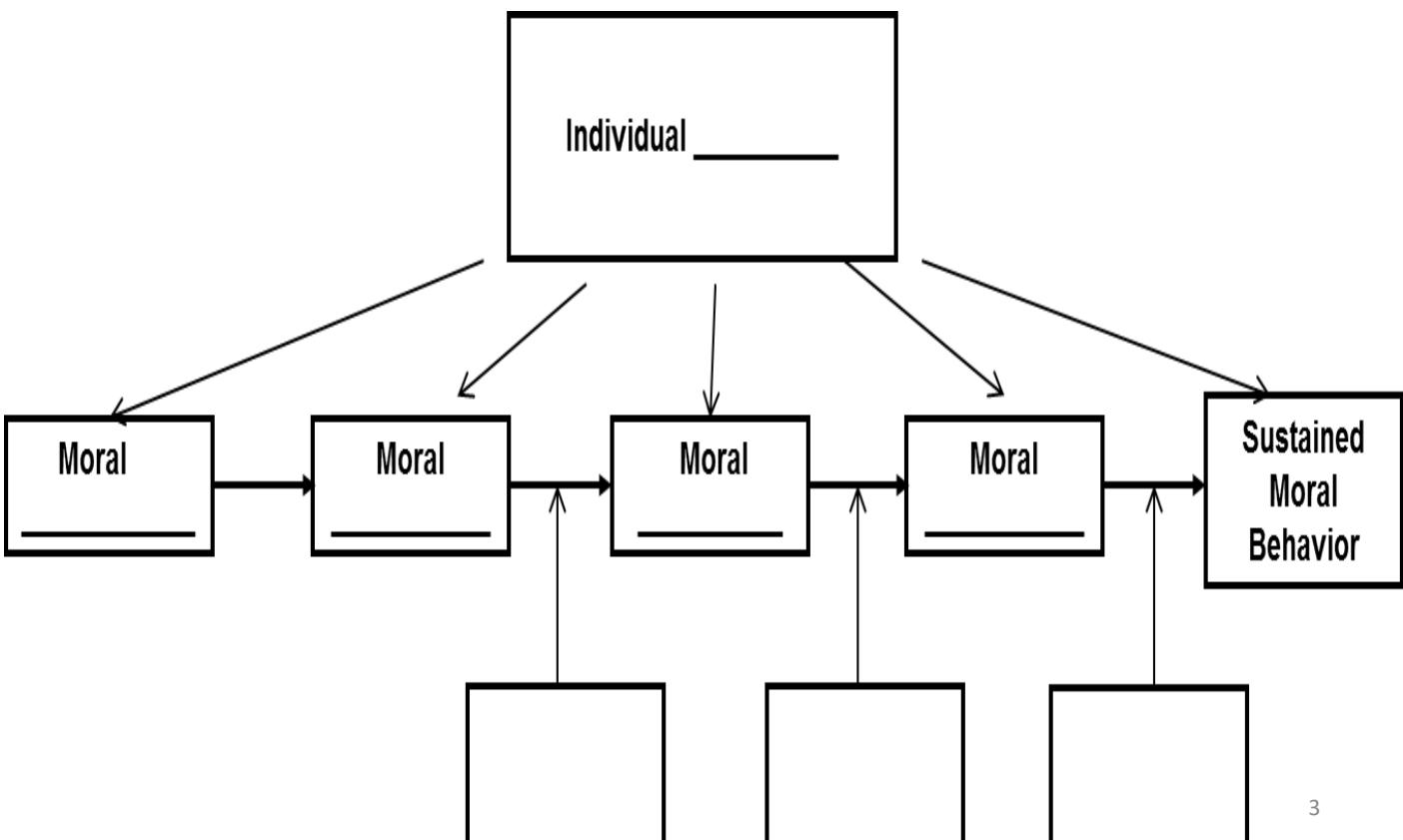
Age group this level is mostly associated with:

3. Post - \_\_\_\_\_

Thinking, feeling and behavior are significantly influenced by one's own moral compass as well as universally accepted morals and principles.

Age group this level is supposed to be associated with:

## The Ethical Decision-Making Process – how our brain responds to ethical challenges



My organization's culture is it's \_\_\_\_\_

**Organizational culture** is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations

**Talent management (TM)** is much more than the administrative practice of Human Resources, for the purpose of this survey and our seminar, Talent Management is defined as an integrated set of processes and programs within a firm designed to attract, engage, build, leverage and retain employees to achieve strategic objectives and meet future business needs.

**Firm culture is made up of three primary elements:**

1. Your organization's \_\_\_\_\_

2. Your organization's mission & vision

3. Your organization's hiring, firing, and promotion \_\_\_\_\_

### **What Culture IS NOT...**

(Rand Fisher, 2012)  
The following tactics ARE NOT culture:

- Secret Santa gift exchanges
- Karaoke nights
- Bean bag chairs
- Nerf gun fights
- Catered lunches
- Cruises with your co-workers

The above activities are just that, 'fun things' that people who work together may do together but it is not culture. They may be indicative of your workplace environment that comes as a result of your organization's culture.

## The Six Best Practices For Building And Scaling A Firm Culture:

1. Have a very clear \_\_\_\_\_
2. Create a common set of:
  - a. language
  - b. values
  - c. standards
3. Lead by \_\_\_\_\_ example
4. Embrace your frontline cultural \_\_\_\_\_
5. Seek, speak and act with \_\_\_\_\_
6. Be greedy with your firm's \_\_\_\_\_ capital

### Practice #1: A Clear Purpose Starts With A Clear Articulation Of Your Organization's Superordinate Goals And Its Employee Value Proposition:

Every firm needs superordinate goals to provide the Associates with a center-point of focus. A vision and mission communicate the aspiration(s) and purpose, respectively, of your organization. To not have these clearly defined and continuously communicated by the leadership team only leads to Associates asking themselves, "why does this firm really exist and where is it headed into the future?"

*Exercise: Go to your organization's website and find its Vision and Mission statements:*

- *Did you find it*
- *If you found it, is it still relevant?*
- *How often do you and/or your leadership reference these when communicating with your Associates?*

*Action Planning: based upon your review of your organization's Vision and Mission which of the following best describes your results:*

- *Does not exist*
- *Exists but needs to be overhauled to accurately represent us*
- *Exists but needs tweaking to better match our current state*
- *Exists, is accurate, but needs to be communicated more to Associates*
- *Exists – we are best in class in its representation of us and how we use it to influence teamwork and collaboration*

*The following should be done within our firm to be better at Practice 1 -*

## **Practice #1, continued: A Clear Purpose Starts With A Clear Articulation Of Your Organization's Superordinate Goals And Its Employee Value Proposition:**

An employee value proposition(EVP) is what is offered by an employer in exchange for the productivity and performance of an employee. It includes the entire employee “experience” from their rewards and benefits, to the opportunity for career development and also the more intrinsic elements of management style, work environment and culture. Branding the EVP means how you interpret all these elements into an identity that links your employment brand to the corporate brand. (Towers Watson, 2010)

*Exercise: Go to your organization's website and find your careers/jobs with us page:*

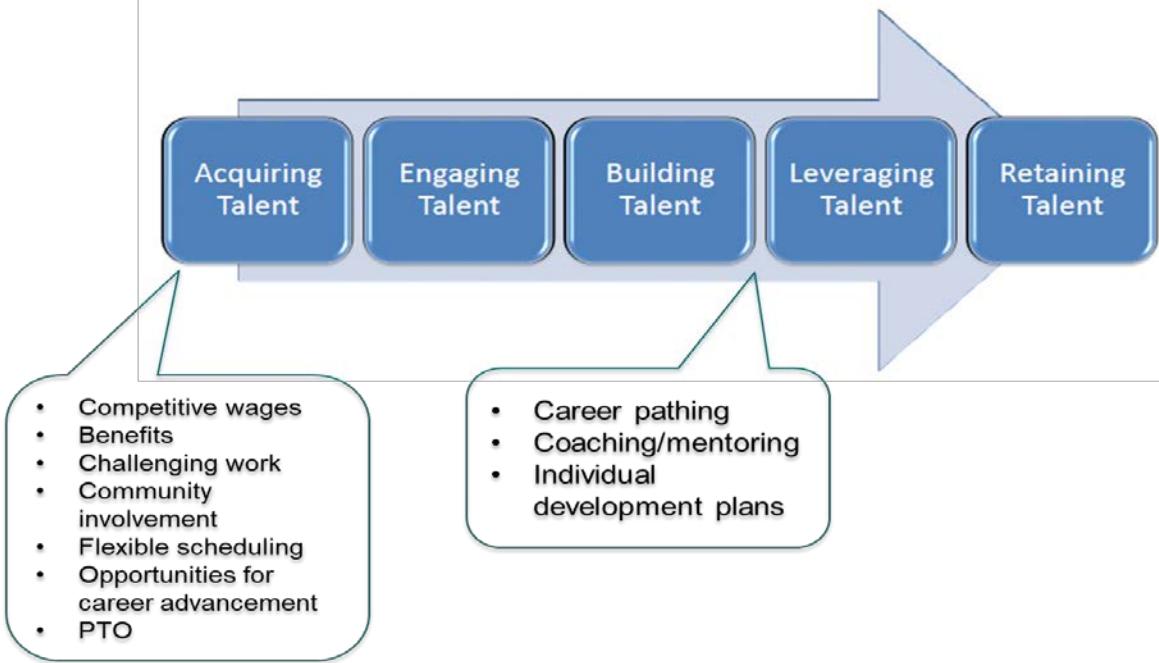
- *Review the entire page*
- *As you read through your web page, what messages do you hear about “why” someone should work with your organization?*
  
- *As you read through your web page, what messages do you hear about “why” someone should STAY working with your organization?*

### **Employee Value Proposition**

It is the give and the get. That is, it is the unwritten expectations between an employee and an employer. Otherwise known as the Psychological Contract, this invisible contract is tremendously powerful in influencing human behavior in the work place. A well created EVP will help influence an Associate to work hard for you because they want to, not because they have to. At the same time, an effective EVP helps attract, engage and retain the talent that aligns with your organization's culture.

From an organization's point of view:

- The Old School Mentality was:
  - They should be \_\_\_\_\_ they have a job and are getting a paycheck
- The New School Mentality is:
  - \_\_\_\_\_ should be ecstatic that they have chosen to work for my firm and now I better work to make sure they do not leave



Why an EVP? Today's employees want/need to see the 'total deal' when choosing who to work with. A best in class EVP speaks to new AND existing employees. The following are some of the most important ingredients to an EVP.

- Purpose and Values
- Rewards and Recognition
- The Work, the People, the Environment

**Creating an employee value proposition – What is the value that your firm offers to potential and current employees and how does this value exceed the value proposition of others?**

**A process to use at your firm:**

1. Data gathering - conduct an employee engagement survey and/or conduct employee focus groups to get an idea of the current sentiment and perception of your firm
2. Have a strategic discussion with executive leaders regarding the future state of the firm
3. Create EVP draft
4. Test drafted EVP with current staff and potential staff
5. Tweak and finalize EVP
6. Synthesize EVP with talent management plan

## Practice #2: Create A Common Language

### Step 1: Articulate your firm's core values (list them here):

#### How well defined are each of your firm's core values?

Not at all Defined	Slightly defined	Somewhat defined	Moderately defined	Very well defined
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#### Do each of your firm's core values have specific idealized/example behaviors that help your employees understand what the value 'looks like'?

#### Working with your key stakeholders look at each of your organization's core values and:

1. Define it:
2. Identify three example behaviors that demonstrate the value:

### Step 2: Create a leadership expectations model for your firm

Leadership is a social influence process. That is, anyone at anytime has the opportunity to demonstrate leadership type behaviors

The problem is that most organization's do not take the time to \_\_\_\_\_ what leadership means to them.

## **Step 2: Create a leadership expectations model for your firm**

1. Identify the key leadership stakeholders in your firm
2. Have a discussion to identify the idealized characteristics of a leader within your firm
3. Once the team identifies the characteristics identify the key behaviors that demonstrate the characteristics

Example expectations may include:

## **Practice #3: Leading By Example And Creating Accountability**

*Great leaders know that you get the behaviors that you measure!*

### **Step 1: Create a multi-rater (i.e., 360) assessment**

- This methodology is the \_\_\_\_\_ of feedback
- You have an image, based upon how people are experiencing you, this process helps you understand that image
- Use a human resources professional for this, preferably an outside objective third-party

### **Step 2: Use the following process to measure firm behaviors**

1. Train participants on the instrument, the process and how to choose their raters
2. Provide a 'heads-up' message to raters
3. Conduct assessment
4. Conduct large group interpretation session
5. Have 1:1 coaching sessions with each participant regarding their results and action planning
6. Encourage participants to send raters a 'thank you email'

## Practice #4: Embrace Your Cultural Ambassadors

### Cultural Ambassadors are:

- Individuals who not only believe in the culture but \_\_\_\_\_ others to buy-in as well
- They \_\_\_\_\_ the organization and its PURPOSE
- This can be anyone in your firm from the Lobby Porter to the Managing Partner/CEO

As I think about my firm, following are the individuals who are *current* culture ambassadors:

As I think about my firm, following are the individuals who *I think would be great* culture ambassadors:

- 
- 
- 

***The best way to get someone to repeat a positive behavior is to catch them doing it right! To sustain your current ambassadors and to build new ones, consider the following:***

Step 1: Create or update your firm's reward and recognition program according to the following criteria:

- It must be consistently applied firm-wide
- Anyone can recognize anyone else
- Non-monetary based
- Based on your firm's core values or leadership expectations

**Examples of, and notes regarding, rewards and recognition programs:**

## Practice #5: Authenticity – being honest with yourself

Authenticity involves two critical elements of mastery

### 1. Integrity

- “doing the right thing even when no one else is watching”

Action item:

### 2. Being honest with yourself

- Strengths
- Weaknesses
- Blind spots

Action Item:

## YOU MUST USE A VALIDATED ASSESSMENT SYSTEM

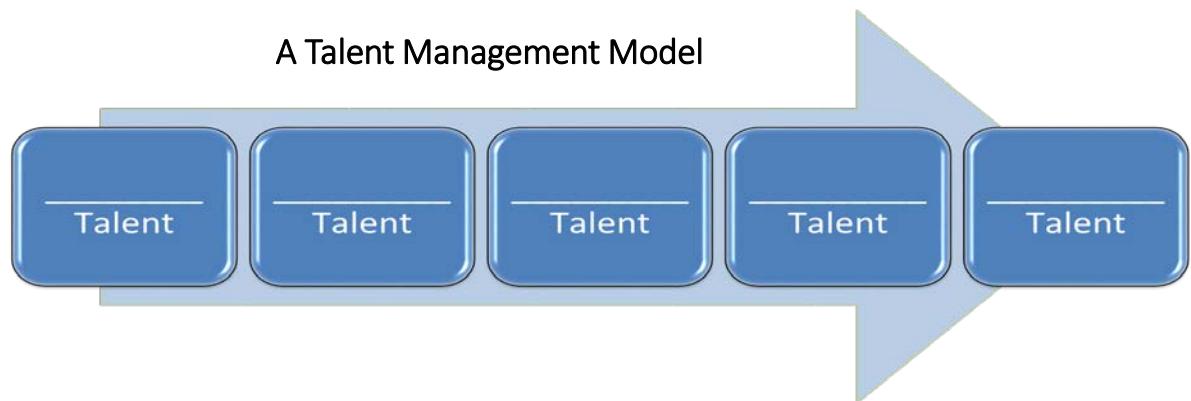
**Assessments MUST be:**

- Trait-based, NOT a preference tool
- Normatively scored
- Psychometrically sound
  - Valid and reliable

**The OMS talent system:**

- Measures the talents/personality of an individual
- Helps us understand (with high accuracy) how someone will think, feel and behave
- Has a job modeling component to help hire for talent/culture fit
- Is very efficient, takes approximately 7 – 10 minutes to complete

## Practice #6: Be Greedy With Your Organization's Human Capital



### Key activities and best practices:

1. **Talent acquisition:** selecting the 'right' person the first time using science and tools to hire for talent, not just technical expertise
  - a. Job Modeling
    - a. Experience, Education, Talents, Core Values and Culture
  - b. Recruiting
    - a. Talent Based Job Postings, Recruiting Strategy
  - c. Selection
    - a. JAX-OMS comparison
    - b. Faking in an interview
  - d. Assimilation
    - a. On-boarding
2. **Talent engagement:** getting your employees fully integrated into the firm and fully productive and an effective team member
  - a. Team Building
  - b. Conflict Management Resolution
  - c. Reward and Recognition Programs (discussed earlier)
  - d. Leadership Expectations (discussed earlier)

## Practice #6: Being INTENTIONALLY Focused On Your People

### Key activities and best practices:

3. **Building talent:** helping employees identify their talents and build them into strengths
  - a. Individual Development Plans
    - a. Learning maps for every person in the firm
  - b. Performance Feedback
    - a. Regular, on-going, feedback regarding performance
  - c. 1:1 Coaching Sessions
    - a. Nurturing the IDP
  - d. CPE Training Maps
    - a. Leverage the CPA Profession's competitive advantage (i.e., learning budget)
4. **Leveraging talent:** creating a talent infrastructure to maximize each individual's potential so that the firm makes more money and staff is less likely to leave
  - a. 1. Proactively identify your associates for potential and performance
    - a. 9-box Your Associates
    - b. Talent pipeline analysis
  - a. 2. Create competency models for each position within your firm
  - a. 3. Internal Leadership Development Program
    - a. Formal program to create stronger bench of talent for current and future needs
5. **Retaining talent:** making sure that the talent hired and built does not leave the firm
  - a. Talent Management Audit
  - b. Build a Talent Management Strategy and Update at Your Annual Partner Retreat
  - c. Annual Employee Engagement Survey
  - d. Annual Leadership 360 Assessment

## Practice #6 Review and Action Planning

Acquiring Talent	Engaging Talent	Building Talent	Leveraging Talent	Retaining Talent
<ul style="list-style-type: none"> <li>• Selection assessment tools (OMS)</li> <li>• Recruiting</li> <li>• Job modeling</li> <li>• Talent based job postings</li> <li>• Assessing for culture fit</li> <li>• Personality assessment</li> <li>• Onboarding programs</li> </ul>	<ul style="list-style-type: none"> <li>• Teambuilding</li> <li>• Conflict management</li> <li>• Rewards and recognition program</li> <li>• Leadership expectations model</li> <li>• Core values assessment</li> <li>• New leader team assimilation exercise</li> </ul>	<ul style="list-style-type: none"> <li>• Individual development plans</li> <li>• Coaching</li> <li>• Training programs and sessions</li> <li>• Performance management process</li> </ul>	<ul style="list-style-type: none"> <li>• Succession planning</li> <li>• Mentoring program</li> <li>• Competency modeling</li> <li>• Career pathing</li> <li>• Executive development</li> <li>• Leadership development program</li> <li>• Associate training sessions</li> </ul>	<ul style="list-style-type: none"> <li>• Organization culture survey</li> <li>• Multi-rater (360) assessment</li> <li>• Career planning</li> <li>• Engagement survey</li> <li>• Leadership assessment</li> </ul>

### Based upon today's seminar please answer the following:

1. How would you rate your talent management function within your firm, circle one of the following:

Poor

Mediocre

Average

Good

Excellent

2. Following are the activities that my firm are currently doing that is in alignment with talent management best practices:

3. Following are the key areas of talent management that need immediate attention at my firm:

4. Following are the specific actions I will take to improve talent management in my firm:

# ABOUT JEREMY WORTMAN, Ph.D.

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Jeremy is a consultant/owner, speaker and trainer with HRD Initiatives, a consulting firm to the CPA , Healthcare, Biotech and engineering industries since 2004.

Jeremy's expertise is within talent management and organizational development where he helps firms build and execute strategic plans regarding the people side of their business.

Prior to opening his own consulting practice, Jeremy worked at TD Ameritrade for 8 years as their Director of Organizational Development and Effectiveness and Corporate Psychologist.

His consulting expertise and services include key offerings such as:

- Talent management strategy planning
- Behavioral/talent/personality assessments
- Team building
- 360 Assessments
- Creating competency models
- Creating and facilitating leadership development programs
- Helping firms update their Mission statement
- Helping firms update, or identify, their core values
- Executive coaching
- Employee engagement surveys
- Identifying career paths for their employees
- Enhancing, or building, performance management/feedback systems
- Conflict management and resolution
- Reward and recognition strategies and programs
- Executive and employee on-boarding programs

He is a member of the American Psychological Association, the Society for Industrial and Organizational Psychology, and taught at the University of Nebraska from 1999 to 2016 as an adjunct professor.