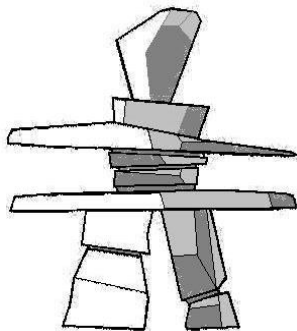University of Southern Queensland (USQ)
Faculty of Business

BUSINESS ETHICS COMPETENCIES:
KSAOS FOR BUSINESS ETHICS PRACTITIONERS

A dissertation submitted by

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Abstract

This dissertation describes a proposed framework of knowledge, skills, abilities, and other characteristics (KSAOs) of a practitioner who is competent in business ethics, compliance, or integrity should possess. These competencies may be leveraged as key input to selecting content for an institutionalized business ethics (BE) training program.

The research problem for this dissertation was: *What competencies are important for job performance of business ethics practitioners in industry and how do their perceptions compare with those of academics?*

Triangulation of research methods and data sources—including industry (public service and private sector) and academics, were used to investigate this problem. Phase I consisted of developing a *provisional taxonomy of business ethics competencies* through the use of the secondary methodology to help design a survey questionnaire.

Phase II involved a survey of academic and industry practitioners implicated in business ethics to empirically validate the conceptually developed *provisional taxonomy of business ethics competencies* and help identify potentially under or over-emphasized competencies to help make recommendations regarding the selection of business ethics training content by choosing relevant course materials based on competencies and key risks and issues.

Several theoretical and pragmatic contributions to the business ethics training, competency-based management, and risk management bodies of knowledge are made that include:

Institutionalized BE Program (IBEP) parent theory and body of knowledge

A *model for content selection for BE instruction* is developed to help guide future selection and tailoring of training content based on baseline competencies and organizational context.

Competency-Based Management (CBM) parent theory and body of knowledge

A conceptually and empirically developed and content validated *proposed business ethics competency model* that may serve to guide future research in this neglected area is provided.

Risk Management (RM) parent theory and body of knowledge

Given the rapid pace of technological, social, economic, and other constant changes faced by organizations, future competency identification is made possible by the proposed enhancement of traditional environmental scanning methods to include new dimensions to the risk identification process through the creation of an *extended environmental scanning model (STEEP LEDGES)*. Also, the traditional risk assessment framework is enhanced by adding prevalence, a third dimension to augment likelihood and impact that should help assess current and new risks and issues using the *extended risk assessment model (LIP)*.

Keywords: Business ethics, business ethics competencies, KSAOs, competency-based management, business ethics competency model, business ethics competency taxonomy, risk management, risk assessment, risk identification, environmental scanning, institutionalized ethics program, organizational ethics program, ethics training and development, ethics typology, risk assessment typology.

Certification of Dissertation

I certify that the ideas, experimental work, results, analysis, software, and conclusions reported in this dissertation are entirely my own effort, except where otherwise acknowledged. I also certify that the work is original and has not been previously submitted for any other award, except where otherwise acknowledged.

_____   _____
Signature of Candidate   Date

ENDORSEMENT

_____   _____
Prof. Ronel Erwee   Date
Research Advisor & Principal Supervisor

'Always fight for progress and reform. Never tolerate injustice or corruption; always fight demagogues of all parties — never lack sympathy for the poor; always remain devoted to the public welfare; never be satisfied with merely printing the news; always be drastically independent; never be afraid to attack wrong.'

— Joseph Pulitzer, media mogul (1847-1911)

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A heartfelt thanks to all!

I dedicate this work in memory of my cousin Vincent who led a short but exemplary life— one which touched many profoundly. Vincent was a true champion for good, and a kind soul. I also dedicate this work in memory of uncle Gilles who helped bind the family together and will always be in our hearts as well as many family relatives and friends now departed—each had an influence on my life.

List of Key Definitions

The business ethics literature reveals a lack of consensus on key terms (Sims 2002) and a lack of explicit definitions in past research (Hosmer 1996). Key or potentially controversial terms for this study are defined below to provide clarity and establish a position.

Academia – business ethics academics and those in related disciplines (e.g., moral philosophy, theology, business law, or management) who teach business ethics content.

Business ethics academic – a university or college professor who teaches business ethics content (e.g., theory, cases, issues) either as part of a stand-alone ethics course or integrated into other business courses (e.g., finance, HRM, accounting).

Business ethics practitioner – an individual whose primary occupation is to provide advice and guidance to managers and employees on issues of values and ethics, integrity, and compliance as well as performing other duties related to values and ethics such as conducting investigations of alleged ethical wrongdoing or providing training on workplace ethics. Specific practitioner job titles may vary significantly (Murphy & Leet 2007).

Business ethics topic – any subject confronting an organization or its agents that could challenge an agent's sense of appropriateness, values or principles and could negatively or positively impact an organization's ability to deliver on its mandate or limit its ability to meet its objectives (PWGSC 2009b). Moral topics of a personal or societal nature or those belonging to applied ethics such as medicine and law do not constitute business ethics topics—e.g., assisted euthanasia, cloning or genetic manipulation.

Competency – A characteristic of an individual such as knowledge, skill, ability, or other (KSAO) attribute that underlies work performance or behaviour (Campion et al. 2011; Slivinski & Miles 1996).

Ethical issue – a significant occurrence of a known event or situation, certain to affect ethical decisions or behaviour if left unaddressed; differentiated from ethical risk by virtue of its certainty of occurrence. Also, an unresolved ethical problem or concern in question or dispute over which there are opposing views or disagreements.

Ethical risk – uncertainty, real or perceived, surrounding future events and outcomes that have the potential to influence ethical decisions or behaviour; consists of the likelihood of occurrence, impact, and prevalence; an uncertain occurrence, differentiated from an *ethical issue* by virtue of its lack of certainty. (PWGSC 2009b)

Progressive employment practices – a broad range of human resources (HR) practices aimed at workforce recruitment or retention including flexible work schedules, family-friendly work/life balance policies, coaching and mentoring programs, and so forth.

Remote absenteeism – an employee who is absent while purportedly being on the job remotely teleworking from home or another locale. This form of truancy to focus on personal pursuits could include employees who absent themselves while claiming to go to off-site meetings, courses, conferences or other fora who remain 'connected' to work via Information and Communications Technologies (ICT) such as a laptop or Blackberry to give the appearance of being on the job.

Taxonomy – the theory, principles, classification scheme and process that partitions a body of knowledge and defines the relationships among its pieces into a resulting hierarchical structure to facilitate understanding (Webster 1984; Radatz 1996). The process is the theoretical study of identification and empirical classification, including its principles, procedures and rules (Bailey 1994; Krippendorff 2004).

Virtual absenteeism – an employee who uses the Internet or a company's Information and Communications Technologies (ICT) for personal pursuits during paid work hours (Friedman 2002). This could include employees spending an inordinate amount of work-related time to conduct personal business by arranging upcoming vacations, wedding, or appointments, conducting stock trades or online shopping, or simply browsing the Internet or being addicted to social media.

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List of Acronyms

AACSB	Advance Collegiate Schools of Business
AAPOR	American Association for Public Opinion Research
ACI	Australian Compliance Institute
ADM	Assistant Deputy Minister
ADR	Audit Director Roundtable
AIRMIC	Association of Insurance and Risk Managers
ALARM	The National Forum for Risk Management in the Public Sector
ALE	Annual Loss Expectancy
AMPs	Administrative and Monetary Penalties
ANSI	American National Standards Institute
APEX	Advanced Practitioner in Ethics and Compliance Certification
APSC	Australian Public Service Commission
ARMS	A Risk Management Standard
AS	Australian Standards
BARS	Behavioural Anchored Rating Scale
BE	Business Ethics
BEBoK	Business Ethics Body of Knowledge
BEI	Behavioural Event Interviews
BEQ	*Business Ethics Quarterly*
BI	Behavioural Indicators
BLS	US Bureau of Labor Statistics
BoK	Body of Knowledge
BRICE	Business Roundtable Institute for Corporate Ethics
BYOD	Bring-Your-Own-Devices
CBL	Competency-Based Learning
CBM	Competency-Based Management
CBoC	Conference Board of Canada
CCEP	Certified Compliance and Ethics Professional
CCP	Certified Compliance Professional
CEB	Corporate Executive Board
CECO	Chief Ethics and Compliance Officer
CELC	Compliance and Ethics Leadership Council
CEO	Chief Executive Officer
CIPD	Chartered Institute of Personnel and Development
CIT	Critical Incident Technique
CLC	Corporate Leadership Council
CM	Competency Management
CMU	Carnegie Mellon University
CO	UK Cabinet Office
CoCo	Criteria of Control model
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPA	Certified Professional Accountant
CRAMM	UK CCTA Risk Analysis and Management Method
CSA	Canadian Standards Association
CSEC	Communications Security Establishment of Canada
CSPS	Canada School of Public Service
CSR	Corporate Social Responsibility
DG	Director General
DII	US Defence Industry Initiative
DLI	Discovery Learning Inc.
E^3	Economically, Effectively, and Efficiently
EAE	Explore, Assess, Express Gartner risk management model
EAP	Employee Assistance Programs
E&C	Ethics and Compliance Officials
ECIPs	Ethics, Compliance, and Integrity Practitioners
ECO	European Ethics and Compliance Officer

ECOA	Ethics and Compliance Officer Association
EdCC	Edmonds Community College
EFSA	European Food Safety Authority
EO	Ethics Official or Officer
EPAC	Ethics Practitioners' Association of Canada
ERC	Ethics Resource Center
ERM	Enterprise Risk Management
ETA	Employment and Training Administration
FAIR	Factor Analysis of Information Risk
GAO	US General Accounting Office
GC	Government of Canada
GEDS	Government of Canada Government Electronic Directory Services
GRC	Governance, Risk management and Compliance
GUI	Graphical User Interface
HR	Human Resources
HREC	Human Research Ethics Committee
HRM	Human Resource Management
HRSDC	Human Resources and Skills Development Canada
HRSG	Human Resource Systems Group
HTRA	Harmonized Threat and Risk Assessment
IBEP	Institutionalized Business Ethics Program
ICT	Information and Communication Technology
IEC	International Electrotechnical Commission
I/O	Industrial and organizational psychology
IREC	Information Risk Executive Council
IRGC	International Risk Governance Council
IRM	Institute of Risk Management
IRMF	Integrated Risk Management Framework
IS	Information Security
ISA	Internet Security Alliance
ISACA	Information Systems Audit and Control Association
ISO	International Organization for Standardization
IT	Information Technology
JBE	*Journal of Business Ethics*
KSA	Knowledge, Skills, and Abilities
KSAOs	Knowledge, Skills, Abilities, and Other characteristics
KWIC	Key-Word-In-Context
LIP	Likelihood, Impact, and Prevalence risk management model
LoNGPESTLE	Local, National, Global, Political, Economic, Social, Technological, Legal, and Environmental analysis method
LVD	Lasswell Value Dictionary
MS	Microsoft®
MSN	Microsoft® Network
NAPA	US National Academy of Public Administration
NCPP	National Council on Public Polls
NCR	National Capital Region
NIST SP	US National Institute of Standards and Technology Special Publication
NZQA	New Zealand Qualifications Authority
NZS	New Zealand Standards
OAG	Office of the Auditor General of Canada
OB	Organizational Behaviour
OCEG	Open Compliance and Ethics Group
OCTAVE®	Operationally Critical Threat, Asset, and Vulnerability Evaluation
OECD	Organisation for Economic Co-operation and Development
OGE	US Office of Government Ethics
O*NET	Occupational Information Network
OOH	Occupational Outlook Handbook
OPM	US Office of Personnel Management
OSC	Organization Specific Competencies

OSINT	Open Source Intelligence
PAQ	Position Analysis Questionnaire
PCO	Privy Council Office
PDI	Personnel Decisions International Corporation
PEST	Political, Economic, Social and Technological analysis method
PMP®	Project Management Professional
POM	Production and Operations Management
PRINCE2®	PRojects IN Controlled Environments
PS	Public Service
PSEPC	Public Safety and Emergency Preparedness Canada
PSC	Public Service Commission of Canada
PUMA	OECD's Public Management Service
PwC	PricewaterhouseCoopers
PWGSC	Public Works and Government Services Canada
RAROC	Risk-Adjusted Return On Capital
RCMP	Royal Canadian Mounted Police
RI	Research Issue
RISC	Risk Integration Strategy Council
RM	Risk Management
RoI	Return on Investment
SABSA®	Sherwood Applied Business Security Architecture
SATs	Skills, Abilities or Traits
SBE	Society of Business Ethics
SCCE	Society of Corporate Compliance and Ethics
SEI	Software Engineering Institute
SME	Subject Matter Expert
SOAS	TBS Security Organization and Administration Standard
SOMAP	Security Officers Management and Analysis Project
SoMC	Statement of Merit Criteria
SONAR	Systematic Observations of Notions Associated with Risk
SPHR	Senior Professional in Human Resources
SPSS	Statistical Package for the Social Sciences
SSC	State Services Commission
STEEP LEDGES	Stakeholder, Technological, Economic, Environmental, Political, Legal, Ethical, Demographic, Geographical, Educational, and Social analysis method
SWOT	Strength, Weaknesses, Opportunities, and Threats analysis method
TBS	Treasury Board Secretariat of Canada
UBS	Uses, Benefits, and Stakeholders
UN	United Nations
USB	Universal Serial Bus
USDOL	US Department of Labor
USQ	University of Southern Queensland
USSC	US Sentencing Commission
VAR	Value At Risk
VP	Vice President
WCP	PSC's *Wholistic Competency Profile*
WEF	World Economic Forum
WHO	World Health Organization

1   Introduction

> *'But if you ask what is the good of education in general, the answer is easy: that education makes good men, and that good men act nobly.'*
>
> *— Plato, Greek philosopher (c. 428-c. 348 BC)*

> *'Man has a natural aptitude for virtue; but the perfection of virtue must be acquired by means of some kind of training...'*
>
> *— Saint Thomas Aquinas, Italian priest (c. 1225-1274)*

A strong personal interest in competency-based learning, business ethics, and the professionalization of vocations such as management consulting, project management, information security, and information system auditing, through defined bodies of knowledge, competency profiles, and other materials initially prompted this research. The number of professional certifications with an established minimal level of professional competence has proliferated in recent years, and this trend appears to be growing, with more attention being placed on the domain of business ethics. For instance, Kernaghan (2007, p. 33) states that 'an emerging values and ethics issue is the recent efforts of certain occupational groups in the public service (e.g. internal auditors, program evaluators) to seek a greater measure of professionalism.' Others also share this view such as Snell (2006, p. 1) who states:

> *...over the course of [ten] years we have been asked repeatedly, "What can we do to legitimize this emerging compliance profession?" Compliance/Ethics professionals are justifiably proud of their profession and expertise. They want the profession to be taken seriously by those within and outside our organizations.*

Legitimization of a profession requires several key aspects (Parkan 2008), including as a minimum collegial, cognitive, and moral attributes; Starr (1982, p.15) stipulates:

> *...first, that the knowledge and competence of the professional have been validated by a community of his or her peers; second, that this consensually validated knowledge rests on rational, scientific grounds; and third, that the professional's judgment and advice are oriented toward a set of substantive values...*

Moreover, the need for legitimization is not recent. Since 1991 there has been discussion of '...the possible beginning of "a new profession in American industry." [It was] felt strongly that an ethics officer position was essential to the ethical health of a company' (ECOA 2007). Also, a decade later, the Ethics Practitioners' Association of Canada (EPAC) released its *Competency Profile of Ethics Practitioners*, a first in the field of business ethics (von Baeyer 2001). While business ethics has yet to develop and become a recognized profession, both industry practitioners and academics (Carleton University *c*. 2006; Cavico & Mujtaba 2009; Maguire & Beauchamp 2006; Moroz 2006; Tessier-Heller 2006; von Baeyer 2001) are

working towards legitimizing and professionalizing this field. Towards this goal, a necessary first step rests in identifying and validating a business ethics competency model given the little empirical research that exists in competency modelling in general (Campion et al. 2011).

Finally, while the timing for greater legitimization and professionalization of business ethics appears right given this increased focus and attention, the development of a competency model carries significant challenges such as selecting the right *level of granularity* in identifying and describing competencies to be of practical use (Campion et al. 2011; Schippmann et al. 2000; Tett et al. 2000), ensuring *parsimony* and *comprehensiveness* of the model (Campion et al. 2011; Ennis 2008; Schippmann et al. 2000; Tett et al. 2000; Vazirani 2010) and other challenges described under **Chapter 2**. These challenges require a substantial amount of research and the collection and interpretation of both secondary and primary data – a necessary condition for a valid research problem (Leedy & Ormrod 2001), to facilitate management's informed decision-making in choosing the best content for organizational training programs to instil these required competencies (KSAOs–knowledge, skills, abilities, and other characteristics) in business ethics practitioners. Many echo these and other challenges. For instance, West and Berman (2004, p. 203) state:

> A **challenge for future** public **managers** *is to give more balanced attention (and resources) to the* **development of the ethical competencies** *of their workforce to match the attention and resources given to cultivating technical and leadership competencies. Ethics training is an appropriate vehicle for achieving this needed balance.* – Emphasis added.

To recap, an increased focus on professionalization of vocations and competency-based learning, along with a growing attention to business ethics and maturation of this field of practice represent strong drivers for the legitimization of the field through the defining of key competencies and other supporting material.

Having discussed motivators behind this study, the balance of this introductory chapter presents the background to the research (Section 1.1), followed by the research question, issues, and proposed contribution (Section 1.2), as well as a justification for the research (Section 1.3). An overview of the research methodology (Section 1.4) then follows, along with an outline of the dissertation (Section 1.5). Completing this chapter are key delimitations and assumptions (Section 1.6) as well as a chapter conclusion (Section 1.7).

1.1   Background to the research

This overview section aims to contextualize the research problem by outlining three key aspects. First, the broad field of study is delineated then narrowed to focus on the research problem. Second, previous research further detailed in **Chapter 2**, is introduced. Third, an overview of the research gap is presented and is elaborated upon under **section 1.3**.

First, at its broadest level, this dissertation addresses *Competency-Based Learning (CBL)* with a goal of facilitating future targeted development of competencies (Campion et al. 2011; Schippmann et al. 2000; Zemke 1982) within an ethics training program, one of many components within an *Institutionalized Business Ethics Program (IBEP)* as portrayed in Weber's (1993) proposed research agenda and multi-component model. Moreover, conceptually or empirically devised competency models can yield several organizational benefits such as providing a common language and fostering common understanding of important behaviours (Hollenbeck et al. 2006; Vazirani 2010), providing a competitive advantage, and increasing Return on Investment (RoI) in human capital. However, the most common purpose and benefit of a competency model rests in its ability to provide a framework for targeted learning, development, and training (CEB CLC 2003; TBS 1999).

Focus is then refined to a core set of competencies, or KSAOs (knowledge, skills, abilities, and other characteristics – e.g., traits) important for business ethics practitioners to facilitate the successful job performance of their duties in providing counsel, guidance, training and other services to foster ethical behaviours in others. These KSAOs, in turn, provide a necessary starting point and guidance in terms of appropriate selection of training content.

As an example, consider the first element of KSAOs – knowledge. Business ethics issues range from macro (national or international) to micro (individual) level topics (Brummer 1985; Dienhart 2000; Gandz & Hayes 1988; van Liedekerke & Dubbink 2008; Nicholson 1994; Pamental 1988) and permeate most decisions and actions taken by organizational members, from executives to non-managerial employees (de Rond 1996; Jones 1991; Saner & von Baeyer 2005). Furthermore, they traverse all business functions (Cohen & Cornwell 1989; de Rond 1996; Gandz & Hayes 1988; Harrington 1991; Tone Hosmer 1996) and carry broad-ranging impacts on many stakeholders, and often lead to complex dilemmas involving significant consequences including bankruptcy and incarceration. Consistent with this broad,

ubiquitous view of ethics, any issue that may result in harm or benefit to others may be considered an ethical issue (Brady 1990; Velasquez & Rotankowski 1985).

Focus in business ethics is often on unethical acts (e.g., fraud, discrimination, harassment), yet by adding fundamental value to people's lives, organizations often embed ethics through practices such as *progressive employment* (BRICE 2007) that, in and of themselves may give rise to nascent issues for which organizations are either unaware or ill-equipped to address. Nascent issues stem from environmental, social, economic, political, technological and other changes and are becoming increasingly complex and important (HRSDC 2009). Additionally, these issues are frequently overlooked for years before being included in training, leading to lengthy periods of abuse (e.g., *remote* or *virtual absenteeism*) by employees. Researchers refer to this as a "knowing-doing" gap where teaching has not kept pace with relevant ethical issues (BRICE 2007; Pfeffer & Sutton 1999). Sims (2002, p. 8) broadly supports this view: 'Business changes far more rapidly than education does... So, it is not a surprise that business schools are not keeping up with their main customers'. Finally, to ensure that managers are better equipped to meet rising ethical expectations and new issues, business ethics training that includes cutting-edge issues, new cases, and teaching materials is needed (BRICE 2007). As part of competency identification, *Risk Management (RM) theory* is explored with a goal of enhancing traditional risk assessment to identify emergent risk areas, and consequently new KSAOs not currently reflected or significantly present within the literature.

Within an *Institutionalized Business Ethics Program (IBEP)*, ethics training is used to increase knowledge, improve skills, and change attitudes (Kirkpatrick & Kirkpatrick 2006; Paine 1994) to raise awareness, influence ethical decision-making or behaviour, or foster moral development of managers and employees. This training includes four key elements— *objectives*, *content*, *delivery approach*, and *evaluation*, as depicted on the right-hand side of **Figure 1-1**.

Figure 1-1: Research problem focus: Risk-informed competencies applied to BE training content
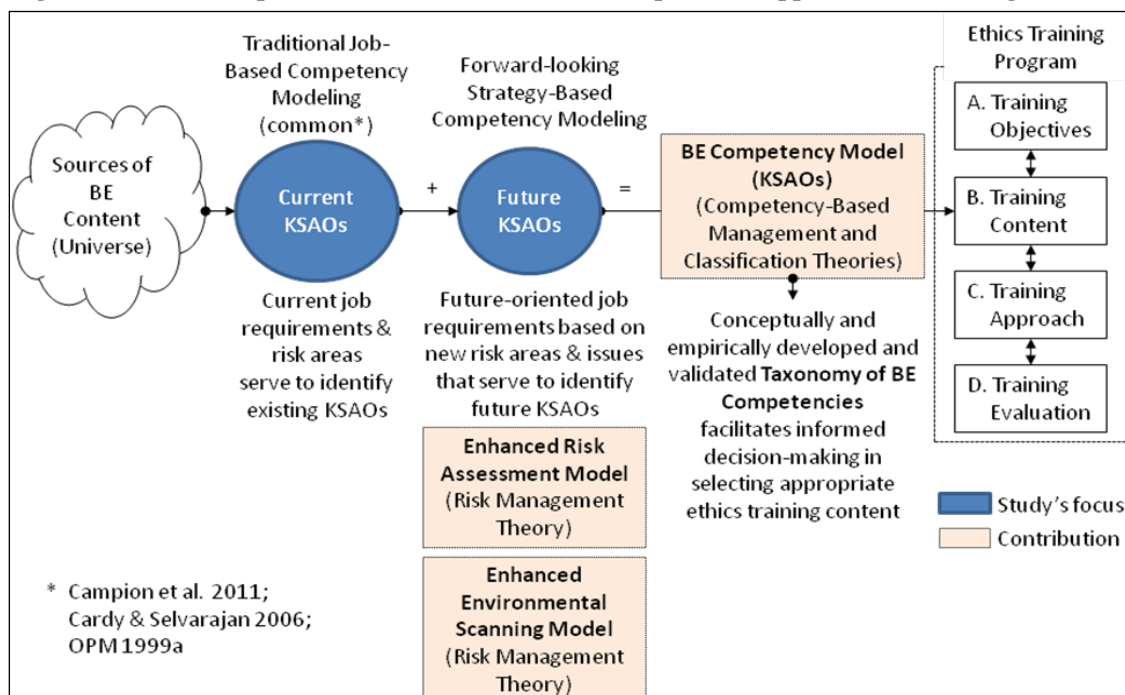
(*Source*: Developed for this research)

Despite previous research into various elements of ethics training, there is a paucity of research into the actual *content* to address required competencies (KSAOs). Excluded from this study are training *objectives*, *approaches*, and *evaluation* (items A, C, & D) in **Figure 1-1**. Training *content*, item B is addressed through the identification of key KSAOs. In the absence of clearly defined essential knowledge, skills, abilities, and traits, those charged with developing corporate training courses are left to their own devices to determine what content is most important or appropriate from a vast sea of potential material. Guidelines influencing the selection of appropriate content have not been synthesized into a pragmatic and robust model to guide curriculum developers. Moreover, in 2003 the Association to Advance Collegiate Schools of Business (AACSB), while in the process of revising their accreditation standards and against a petition of hundreds of ethics professionals, made the decision not to require a mandatory ethics course for accreditation. As a result, it was believed by some that 'diluted, trivialized, and scattered ethics coverage may be mistaken for comprehensive, substantive ethics content' (BRICE 2007, p.4). Accordingly, the efficacy of current instruction in business ethics is called into question by industry, the public and researchers. Universities are facing criticism for failing to impart useful competencies to prepare future leaders in acting ethically (Bennis & O'Toole 2005; Warren & Tweedale 2002). These criticisms encompass a broad range of elements and include fundamentals such as a lack of consensus on "business ethics" and other terminology

(Sims 2002; Weber 1993), the role and practicality of theory in courses and the use of ineffective teaching methods (de Rond 1996). Further, there is too much focus on compliance (Holian 2002), and topics, issues, and cases included in courses are either dated or not germane to the reality faced by most employees (de Rond 1996; Rice & Dreilinger 1990) to the exclusion of important knowledge (Crane & Matten 2004). Finally, 'America's business schools need to rethink what we are teaching – and not teaching – the next generation of leaders' (Jacobs 2009, p. A13).

In summary, research and literature on business ethics training identifies an important misalignment between academia and industry practitioners in terms of business ethics instructional content aimed at instilling essential competencies (KSAOs). This study seeks to shed light on the extent of this misalignment so that future instructional efforts can focus on increasing content considered by practitioners to be under-emphasized while reducing the content considered over-emphasized. Supporting the need for greater alignment between industry and academia, the BRICE (2007, p. ii) state: 'Today's executives should take an active role with business schools to ensure that current students are fully prepared for the responsibility and authority they will take on.' This leads to the research problem at hand.

1.2   Research problem, issues, and proposed contribution

Against the backdrop outlined above, the following research problem ensues:

> *What competencies are important for job performance of business ethics practitioners in industry and how do their perceptions compare with those of academics?*

This dissertation proposes a conceptually and empirically developed and validated taxonomy of business ethics competencies in the form of a *competency model*. Competency models help to explain and predict effective performance (Morello 2002; Mirabile 1997) within an organizational role, describe important behaviours (Hollenbeck et al. 2006; Vazirani 2010), and are significantly more than mere lists of KSAOs resulting from job analysis or competency modelling, but instead have been likened to theory in several ways (Campion et al. 2011). In leveraging Whetten's (1989) guidelines on what constitutes a theoretical contribution, Campion et al. (2011, p. 256), in describing one of their twenty best practices on competency modelling, state the following about competency models:

> • *They explain why the KSAOs matter in terms of creating effective job performance, connecting with organizational goals, and so on.*
> • *They usually include a description of the process (how effective performance occurs) as well as the content (what is effective performance).*

• They are internally consistent in that performance on one competency should not conflict with performance on another competency. They should reinforce each other in clear ways.
• They predict and explain successful performance in a wide range (hopefully all) of job domains.
• They may inform judgments with respect to likely outcomes (e.g., who will get hired, promoted, or rewarded).
• They are provocative and promote thought and discussion about effective job performance. As such, they should yield more insight than a list of KSAOs.

In addition, according to classification theorists, a *taxonomy* can refer to both process and the result and is likened to theory building (Bailey 1994). As a process, a taxonomy is defined as the theoretical study of classification while Sneath and Sokal (1973, p. 3) enhance this definition to include the theoretical study of identification. Certainly, competency models have been the subject of much scientific research in industrial and organizational (I/O) psychology since over 40 years and more recently in HR.

Research Issues

To answer the research question posited, the following research issues are considered, against which data will be collected, analysed, and interpreted.

1. *What core set of KSAOs (knowledge, skills, abilities, and other characteristics) are important to business ethics practitioners?*

2. *What core set of KSAOs are considered important by academics?*

3. *How do perceptions of important KSAOs differ between business ethics industry practitioners and academics?* That is, to what extent is academic instructional material potentially misaligned (over- or under-emphasized) with practitioner needs.

This study shares a similar goal and approach to studies in other nascent fields, notably Information Technology (IT) and related disciplines (Abraham et al. 2006; Fang, Lee & Koh 2005; Gallivan, Traex & Kvasny 2004; Ho & Frampton 2010; Kim, Hsu & Stern 2006; Lee & Han 2008; Surakka 2005, 2007) in its desire to explore and define a core set of important KSAOs for practitioners which define the boundaries of a particular field and its body of knowledge. Moreover, some of these studies (cf. Aasheim, Li & Williams 2009; Lee et al. 2002; Lethbridge 2000) compare industry practitioners and academics in their perceived importance of topics with a goal of informing academic and industry curriculum designers, teachers and others on overemphasized or underemphasized topics. However, unlike these IT-based studies, some of which benefitted from an IT model curriculum, limited guidance currently exists for business ethics, though BRICE (2007) has attempted to lay the groundwork by defining principles and practices for a model business ethics program. Given the similar purpose, approach, and survey method employed by this study in a business ethics

context, the potential contributions of these other studies are *synthesized* below and serve as a guide to the potential contributions of this study.

Results of this study—identified fundamental competencies (KSAOs) that business ethics practitioners should possess—may be useful to organizational human resources staff and managers (cf. Lethbridge 1999) seeking to recruit or promote ethics practitioners (BRICE 2007) with the right competencies. Also, the resultant competency model (taxonomy) may be helpful for training staff, curriculum designers in training institutes and universities and potentially, licensing and accrediting bodies designing and selecting content for business ethics training curriculum (cf. Aasheim, Li & Williams 2009; Lethbridge 1999; 2000). Additionally, the identified core competencies may also provide a framework for publishers or authors who provide textbooks, trade books, and other materials (Crane & Matten 2004). Also, professionals or students seeking continuing education or occupational upgrading may benefit from the study findings to help select courses (cf. Lethbridge 2000) and other sources of information about important competencies. Finally, important competencies identified in this study can be used in future research or incorporated into the following organizational documents: Training curricula, work descriptions (von Baeyer 2001), job specifications or advertisements, interview questions (EPAC 2001), Behavioural Anchored Rating Scale (BARS), codes of ethics, corporate policies and instruments, competency profiles or dictionaries, and finally, award assessment or professional certification criteria (von Baeyer 2003).

From a theoretical perspective, this study provides a value-added contribution by presenting a conceptual and empirically developed and validated competency model of current required business ethics KSAOs based on parent theories of *Competency-Based Learning (CBL)* and *classification* and a theoretical framework for identifying emergent business risk areas potentially requiring new KSAOs, based on the parent theory of *Risk Management (RM)*. The proposed *competency model* and *enhanced risk assessment* and *environmental scanning models* of this study will describe KSAOs and other factors to consider in selecting business ethics training content to help promote job performance of business ethics practitioners. Finally, it is hoped that findings and recommendations will serve to address over- or under-emphasized business ethics topics and issues contained in existing course material.

1.3   Research justification

From a theoretical perspective, much research into the various aspects of ethics training exists, including its relationship with other components of an organizational business ethics program such as ethical culture (Graham 2009; Valentine 2009), ethical behaviour (Traiser 2007), moral development (Zwanziger Elsinger 2009), and ethical decision-making (Waples et al. 2008). Also, various training-related *categorical frameworks* have been proposed: The types or approaches of ethics training programs (Center for Business Ethics 1986; Harrington 1991); ethical issues based on organizational harm (Collins 1989); ethical theory (Derry & Green 1989); pedagogical approaches and objectives (Sims 2002; Weber 1990); and a model business ethics program (BRICE 2007). However, most researchers focus either on training *objectives* or outcomes, or on pedagogical/Andragogical methods (*delivery*), implicitly assuming *content* validity, materiality, integrity, commonality, clarity, accuracy, and completeness in ethics training. Notwithstanding this body of research in business ethics, there is a scarcity of research into business ethics *content* relative to other elements in **Figure 1-1**, with only a single doctoral study identified (cf. Henry 2002). Other researchers support the existence of this important gap. For instance, West and Berman (2004, p. 203) state:

> ....***more research is needed on ethics training, particularly*** *the factors causing organizations to pursue it, and issues associated with **the effectiveness of the training material**, especially from the trainees' perspective. Was the material covered relevant to their jobs? Were the analytical tools useful in resolving day-to-day ethical dilemmas? Was the mode of instruction sufficiently engaging to capture their interest? Was the time allocated sufficient to accomplish the learning objectives of the training program?* (Emphasis added)

Furthermore, another area of relative theoretical neglect is the scarcity of academic research involving corporate ethics officers (Adobor 2006; Morf et al. 1999; Smith 2003) and ethics administrators in government (Smith 2003). This view is also shared by Loe et al. (2000, pp. 199-200) who state: 'Additional studies using industry samples is important to gaining face validity and in providing research results that will be given serious consideration by practitioners.' Finally, despite the extant literature, consensus on ethics training *objectives*, *content*, *methods*, and *evaluation* is fleeting (Baetz & Sharp 2004; Weber 1990, 2007).

The reasons for choosing a particular set of topics and issues over others to discuss in a business ethics course are varied and many, though these are seldom if ever explicitly identified. This becomes problematic for future research as the choice of content is left to each organization and can vary significantly from one organization to the next. Accordingly, Pamental (1991, p. 392) states that 'if we hope to gain some benefit from the teaching of

business ethics, on behalf of both the individual and society, then the **issues chosen for inclusion**, the questions asked, **must be screened**.' Basing ethics training *content* on an empirically validated competency model of KSAOs is therefore one potentially viable solution to partially address this seemingly arbitrariness and variability in course content.

From a pragmatic perspective, this second justification will focus on four key arguments to demonstrate the importance of competencies and business ethics training. First, there is a growing demand for compliance (Dragon 2006) and ethics practitioners (Maguire & Beauchamp 2006; Tessier-Heller 2006). According to industry sources, business ethics is a promising occupation slated for significant growth. For instance, the US Department of Labor (2008) lists Compliance Officers as one of the top 20 fastest growing occupations from 2008 projected to 2018–see **Table 1-1**. In addition, it categorizes this occupation as having a "bright outlook" and being a "green" (new and emerging) occupation (USDOL/ETA *c*. 2010a). Moreover, the most significant source of postsecondary education or training for this occupation is listed as "long-term on-the-job training" vs. many of the other fast-growing occupations which list academic Bachelor's, Master's or Doctor's degrees. This view is consistent with the practitioners' perspective. Holian (2002) states that many organizational managers continue to rely upon on-the-job trial-and-error to uncover ethical decision-making approaches. One can therefore surmise that the role and importance of institutionalized business ethics training will continue to grow within the next decade to train future practitioners ("training-the-trainers") and other employees since incumbents are primarily expected to learn and perfect their competencies on-the-job instead of through academic training. Arguably, many ethics practitioners today have very little formal academic training in business ethics (Tessier-Heller 2006) and this is likely to persist for the foreseeable future. Finally, as incumbents hone their unique knowledge and skills in this nascent and niche occupation (HRSDC 2006; USDOL/ETA *c*. 2010b), they will share and transfer this knowledge within their organizations through in-house training and other means as part of their duties (EPAC 2001).

Table 1-1: Anticipated growth of compliance (ethics/integrity) profession in the US

Occupation	2008 Employment (000s)	Projected 2018 Employment (000s)	Change, 2008-2018 Number (000s)	Percent	Most significant source of postsecondary education or training
Compliance officers	260.2	341.0	80.8	31.0	Long-term on-the-job training

(*Adapted from*: U.S. Bureau of Labor Statistics 2008)

Second, in addition to the bright outlook for this growing niche market, national organizations are pursuing efforts to define the subject matter that ethics practitioners should know. The US Department of Labour (USDOL/ETA 2009) indicates data collection is currently underway for the role of compliance managers. However, its *Occupational Outlook Handbook, 2010-11 Edition* (USDOL/BLS 2010) does not currently have an entry for ethics officials despite covering training, education, and qualifications (competencies) for hundreds of different types of jobs. Additionally, in the US, the Society of Corporate Compliance and Ethics (SCCE) began the development of a professional certification in 2005 (Snell 2006) and offered their first certification exam in 2006 (Dragon 2006). Finally, in Canada, the Ethics Practitioners' Association of Canada (EPAC) developed a *Competency Profile* in 2001. Both initiatives however, have limitations. One of these is the need to ensure continued applicability as requisite competencies can and must change over time in response to changes (Stuart, Thompson & Harrison 1995), assessed through environmental scans.

Third, having the right business ethics competencies is of critical importance to those ethics practitioners charged with accountability and responsibility to counsel, advise and train others within the organization as well as investigate reports of wrongdoing. Largely, this trusted role is responsible, with support from senior management, to foster the organizational values and ethics culture to guide other employees. Moreover, ethics practitioners, similar to other vocations such as auditor, labour relations or conflict resolution advisor, and legal counsel are often entrusted with privileged and highly sensitive information that must be kept in strict confidence as part of a client-practitioner trusted relationship. A violation against legislation or regulations and organizational policies or other instruments that these practitioners are responsible for enforcing may constitute, in addition to an offence, a breach of trust and a violation against an applicable code of conduct (TBS 1994a). Hence, ethics practitioners have a highly trusted and central role within an organization and tolerance for errors is traditionally lower than in other careers. Supporting this view, Saner and von Baeyer (2005, p. 3) state: '...tolerance for failures in the ethics contexts is traditionally low – mistakes on ethics are less often forgiven than mistakes in a purely technical domain.'

Forth, using well-defined competencies brings several advantages to organizations, managers, and employees. *Competency-based management (CBM)* can create a culture of excellence, increase return on investment (RoI), provide a framework for learning and produce better job-to-person matches (Burrs & Serjak 2010). Besides, typical costs to replace an employee in a

situation of voluntary turnover can be up to two times the annual salary (Chafetz, Erickson & Ensell 2009; Crosthwaite 2010) whereas the cost of a "bad hire" (i.e., a bad job-to-person match) has been estimated at three times the annual salary or higher (Burrs & Serjak 2010; The Counsel Network 2009). Given the high costs of turnover for bad hires, employers have a stake in identifying the set of core competencies (KSAOs), particularly for those careers where there is a shortage of skilled labour since the costs of finding a suitable replacement may be even higher than for vocations that are more traditional.

Finally, from a research methodology perspective past studies have shown a number of important limitations: overly narrowed focus (e.g., intersection of HR and ethical issues); small samples; focus on limited content (handful of topics with dissimilar granularity level); academic student-centric samples; and systemically biased data (US-centric studies traditionally favouring compliance-based over aspirational values-based ethics regimes). Likewise, the use of triangulation of methods is lacking. Lastly, methodological rigour and validity is suspect in many cases due to assumptions or a lack of methodological specificity.

1.4   Methodology overview

This study uses a post-positivist research paradigm and quantitative multi-phase design (cf. Neuman 2003b) to collect the data using a variety of techniques. In Phase I, an extensive *document analysis* of academic and industry texts using frequency counts of KSAOs needed by practitioners was completed to construct a preliminary business ethics competency model and survey instrument. Moreover, benchmarking was performed against a generic management/leadership competency model constructed in parallel (based on dozens of industry and academic competency models and research) as well as against four industry and academic competency assessment models and two industry competency profiles. These benchmark comparisons serve to enrich the discussion and partially validate the preliminary business ethics competency model and survey instrument. Finally, a pilot of the survey leveraging industry practitioners concludes Phase I.

In phase II, the survey was given to academics and ethics practitioners to empirically validate the preliminary business ethics competency model and establish to what extent their perceptions differ about the competencies needed by business ethics practitioners. This facilitates comparison (Leedy & Ormrod 2001; Yin 2003) in the hope of supporting a core set of essential competencies for ethics practitioners. The researcher's confidence in getting an accurate measure of *key competencies* is greater if essential KSAOs identified during the

document analysis phase are supported by the survey of academics and practitioners. In addition, any differences in results between the document analysis and survey provide informative data as a basis for training design (Neuman 2003b).

Having justified the use of a multi-phased approach, a justification for the specific methods follows. The purpose of this study is exploratory and descriptive (theory building) in nature. Research in business ethics (Crane 1999) and public sector ethics (von Maravić 2008) reveal that both fields are largely considered under-developed, accounting for the predominance of exploratory and descriptive research. Further, a recent analysis by von Maravić (2008) places the number of descriptive empirical public sector ethics studies at roughly two-thirds, the remaining being explanatory in nature. Finally, additional empirical theory-building research is needed (Robertson 1993; Warren & Tweedale 2002). Likewise, Robertson (1993) also suggests that methodological research should be broadened beyond dominant questionnaire-based qualitative methods to include documentary and other qualitative methods.

Method 1 – Document Analysis: Given this formative stage of maturity and the predominance of exploratory and descriptive research that often entail qualitative research methods and an interpretative approach (Leedy & Ormrod 2001) and inductive reasoning and analysis, a *document analysis* is used as the first stage of the research to develop a proposed preliminary competency model (taxonomy) and survey instrument.

Moreover, valuable insight into the importance of social issues to organizations is made possible by a document analysis (Gray, Kouhy & Lavers 1995a, 1995b) and its use in business ethics and public sector ethics is common. This may be because it is an emerging field with a limited theoretical basis. Established precedents for using a document analysis method are many and include research into codes of ethics (Lugli, Kocollari & Nigrisoli 2008; Preuss 2009; Snell, Chak & Chu 1999), ethics policies (e.g., whistleblowing) (Hassink, de Vries & Bollen 2007), and ethical value statements (Agle & Caldwell 1999; Chun 2005; Scott 2002). Additionally, document analyses have also been used to analyse ethical content (Arce M 2004), learning objectives (Buff & Yonkers 2005), decision-making (Harris 2001; Payne & Joyner 2006), and teaching (Cornelius, Wallace & Tassabehji 2007). Supporting the widespread use and acceptability of document analysis in ethics research, von Maravić (2008, p. 21) states:

> *What a survey is for business ethics research, document analysis is for administrative ethics research: 61 percent based their findings on document analysis... The frequent use of document analysis is not surprising, for it provides the easiest access to the field.*

Finally, complementing this first method and to provide triangulation, another predominant research method in business ethics also recognized by von Maravić (2008, p. 21) are surveys: '...findings show a clear tendency toward the use of document analysis and survey data...'

Method 2 – Survey (principal method): In addition to the widespread use of document analyses in business ethics, a review of empirical research also supports the predominance of surveys (Brigley 1995; Crane 1999; Fineman 1997; Randall & Gibson 1990). For instance, exclusive reliance on survey data was found to be present in 81 percent of available empirical studies according to Randall and Gibson (1990). Likewise, surveys constitute one of the key methods in identifying competencies and building competency models (Campion et al. 2011; Burrs & Serjak 2010; Tett et al. 2000).

Therefore, and based on the literature review, both document analysis and surveys outweigh other methods in business ethics research and are justified in their use. This is consistent with the view that '[e]very discipline...has its own way of conducting research and its own definition of the "right" way to conduct research' (von Maravić 2008, p. 23). This view that guidance on the appropriate use of specific methods relates to a particular discipline and its body of knowledge is also reflected by Ellis and Levy (2009, p. 324):

> *the literature provides clear guidance on the specific methods to be followed in conducting a study of a given type... Ignoring the wisdom contained in the existing body of knowledge can cause the…researcher, at the least, a great deal of added work establishing the validity of the study.*

In addition to which particular methods to use, the *sequence of use* (Neuman 2003b) of multi-phase studies is also important. This study's sequential use of document analysis as a first phase in the study to design a questionnaire (survey instrument), followed by the administration of a survey is justified based on a previous argument regarding the initial use of inductive approaches. Also, this study adopts a sequence of use similarly employed by a number of studies in information technology (cf. Aasheim, Li & Williams 2009; Lethbridge 2000; Surakka 2005, 2007) which sought to determine the set of critical competencies required of practitioners to perform their jobs successfully. These studies used document analysis to determine the initial set of competencies that were then included in a survey instrument and given to academics and practitioners.

Finally, other sources used in document analysis to identify competencies include job advertisements (Gallivan, Truex & Kvasny 2004; Lee & Han 2008; Surakka 2005), academic and trade journals (Henry 2002), and textbooks.

In summary, this section demonstrated that investigation of complex social phenomena such as business ethics is often facilitated by multiphase approaches (von Maravić 2008). It further demonstrated that both document analysis and surveys are appropriate to descriptive research (Neuman 2003a) and demonstrated the value of both methods in similar research on core competencies within business ethics (cf. Henry 2002) and other emergent fields such as IT (cf. Aasheim, Li & Williams 2009; Surakka 2005, 2007). Having identified and justified the research methodologies, an outline of the remaining dissertation follows.

1.5   Outline of this dissertation

A common five-chapter structure is used for this dissertation. This introductory chapter provides a background to the research (business ethics competencies), introduces the research question, issues, contributions, and justification, and provides an overview of the mixed-methods methodology (document analysis and survey). Finally, key definitions, delimitations and assumptions are provided.

Chapter 2 examines the extant literature on business ethics and other parent theories relevant to this study to build the theoretical foundation supporting the development of the research issues previously outlined in this chapter. Moreover, an initial competency model of KSAOs to assist organizations in selecting important business ethics training content is also provided.

Chapter 3 describes the two methodologies employed in this study to address the research problem and issues previously identified. First, a document analysis of key academic and industry sources is conducted to help select core business ethics competencies for inclusion in the survey instrument that is then used to provide triangulation of method.

Chapter 4 presents primarily descriptive statistical analysis—appropriate for exploratory and descriptive studies such as this research—of the resulting data from the document analysis and practitioners' and academics' survey responses.

Finally, chapter 5 presents the conclusions and theoretical and practical implications of the research and demonstrates the contributions made to the extant business ethics body of knowledge. Finally, recommendations for future research are provided.

1.6   Delimitations of scope and key assumptions

The planned scope of this study is delimited by the following, beyond which generalizations of the results are not intended. First, this investigation will focus mainly on the business ethics competencies of ethics practitioners within the Canadian federal public service. This institution is the nation's single largest employer, and consists of over 175 organizations totalling approximately 505 000 employees (TBS 2009a). Furthermore, publicly available lists of senior government officials with an ethics-related role defined under legislation or policy were used to survey practitioners. Findings of this study may therefore not extend to the non-profit or private sectors or other public sector organizations that may be subject to different legislative, political, cultural, economic, or other contexts.

Second, the document analysis phase of this study, used to initially define the taxonomy of business ethics competencies for the survey instrument, is limited to selected recent key academic sources—textbooks and studies, and key industry sources—a trade book, surveys, and job advertisements. Preference was given to sources with higher academic rigour and leading sources that are further described under Chapter 2. Finally, preference was given to text published within the last dozen years, from 2000-2011. This period was chosen and is consistent with the period identified in other works or research and dissertations involving document or citation analysis of textbooks which ranged between six (Henry 2002) to ten years (Derry & Green 1989; Tseng et al. 2009). Finally, similar sources were used in past studies in ethics (Henry 2002; Porter 2004) and in information technology research (cf. Aasheim, Li & Williams 2009; Surakka 2007) to define core competencies for use in surveys of academics and practitioners for the purpose of comparing perceived differences in essential competencies.

Third, in addition to limiting the number of texts—discussed in Chapter 2—and sources of texts examined, the number of competencies to be included in the survey instrument will be limited to a pragmatic number, based on precedents from related research. Keeping the number of items within the survey instrument manageable is less of a deterrent to potential respondents to complete the survey. As a benchmark, the Lethbridge (1999) study included

the largest amount of knowledge issues (75), along with typical demographic questions, and was estimated to require thirty minutes to complete.

A fourth delimitation is the use of English texts within Western cultures, primarily from the US and Canada given the prevalence of US-centric material relating to business ethics. However, some important competencies may be overlooked as 'not all significant research is reported in English' (Leedy & Ormrod 2001, p. 38).

An assumption of this study is that survey respondents share a reasonably similar understanding of identified business ethics competencies in the survey instrument given their role as a business ethics, compliance, or integrity practitioner or academic. However, a short description for each competency is provided to help remove potential ambiguity.

Another assumption is that survey participants will make a sincere effort to complete the questionnaire (Ellis & Levy 2009) and will do so with limited bias – e.g., no recency effect due to recent newsworthy scandals which may skew the perceptions of importance for certain KSAOs.

A final assumption is that most survey respondents will be more seasoned business ethics practitioners or academics with approximately a decade or more years of work experience since practitioners are likely to have some former management experience (not typically an entry-level position into the organization given the need to provide advice and counsel senior management). Similarly, most respondents from academia are anticipated to have prior experience in philosophy or business before being able to teach others on complex ethical issues.

1.7 Conclusion

The foundations for this study were provided, beginning with the background to the research consisting of the need to define core competencies for business ethics practitioners. The research problem, issues, and contribution were then introduced, followed by justification for the research and a brief overview of the methodology that mirrors the approach adopted by other emergent areas of study such as information technology. Next, the report structure was outlined, definitions were presented, and key delimitations and assumptions were identified and justified. Finally, these elements set the stage for the next chapter, the literature review.

2   Literature Review and Research Issues

'Executives will have to invest more and more on issues such as culture, values, ethos and intangibles. Instead of managers, they need to be cultivators and storytellers to capture minds.'
– Leif Edvinsson, pioneer on Intellectual Capital (2002)

2.1   Introduction

Having identified the research problem, this chapter has two primary goals. First, to provide a *conceptual framework* (Section 2.5) surrounding the research problem theory of 'risk-informed business ethics competencies as training content for industry practitioners' which involves an interdisciplinary analysis and synthesis of three parent theories. These parent theories consist of institutionalized business ethics programs (Section 2.2), competency-based management (Section 2.3), and risk management (Section 2.4) as depicted in **Figure 2-1**.

Figure 2-1: Analytical model of research problem and theory
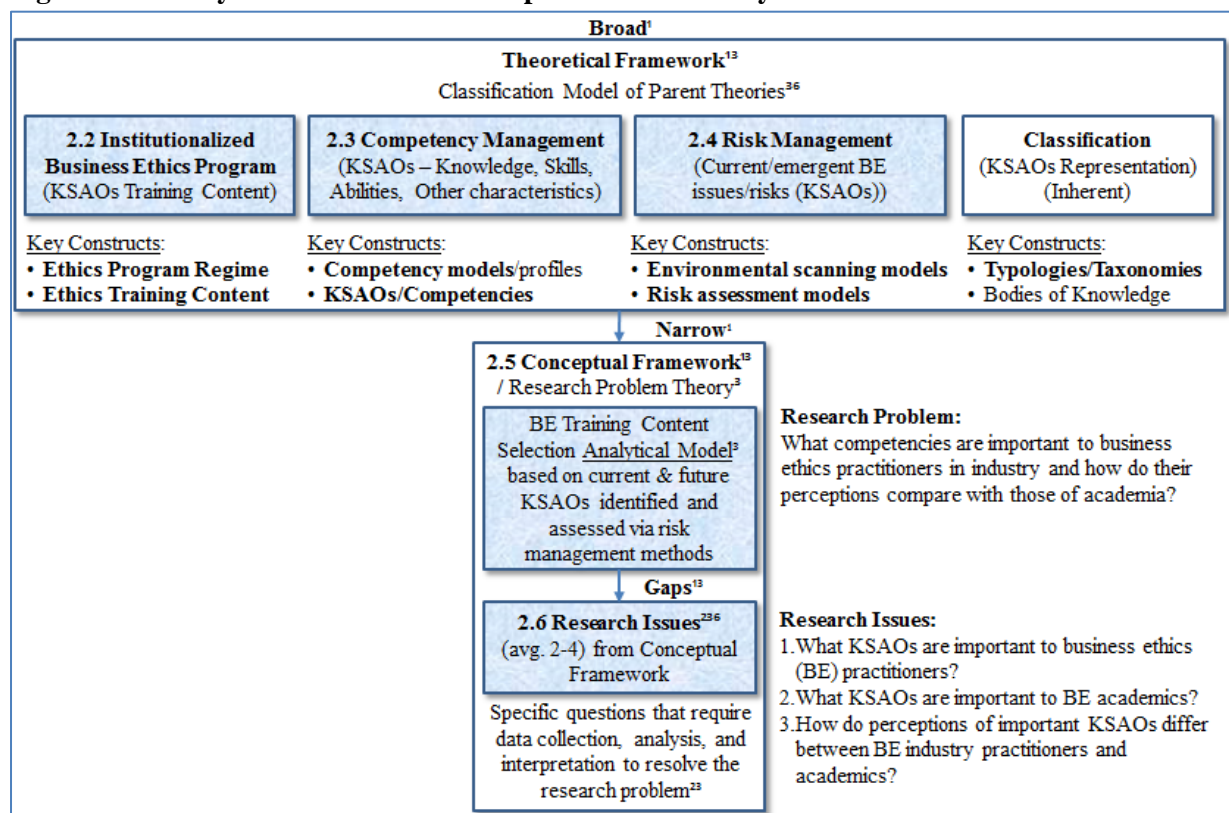
(*Adapted from*: Leedy & Ormrod 2001, p. 77; Whetten 1989; Leedy 1993, p. 93)

Together, the risk management and competency-based management parent theories yield "risk-informed competencies" in terms of identifying and assessing both current and emergent (known and unknown) issues and risks. These issues and risks consist not only of knowledge *per se*, but also the skills, abilities, and traits required to address issues/risks. In

turn, the institutionalized business ethics program and competency-based management parent theories yield "business ethics competencies as training content for industry practitioners". Recall from the research problem that the study seeks to identify important competencies for business ethics practitioners, not merely current competencies, but also those likely to be required in the near future given the dynamic and ever-changing business environment.

Note that a fourth parent "classification" theory is also inherent throughout the study with the creation of several new typologies, although a separate treatment is deemed less material. Additionally, each parent theory is very broad in itself therefore two *key constructs* from each parent theory are provided in **Figure 2.1** to further delineate the boundaries of the study. For instance, in terms of institutionalized business ethics programs the constructs of an "ethics program regime" and "ethics training content" are examined. Competency management constructs include "competency models" and "competencies"—knowledge, skills, abilities, and other characteristics (KSAOs). Finally, the risk management constructs examined include "environmental scanning methods" and "risk assessment models".

The second goal of the literature review rests in identifying the *research issues* (Section 2.6) that emerge from the previous discussion on the parent and research problem theories.

2.2   Institutionalized Business Ethics Program Parent Theory

This section is purposefully succinct to focus attention on the parent theories of competency management and risk management following this section. However, much detail is reflected in figures and tables throughout. *Prima facie*, the construct "business ethics training" appears straightforward. However, as depicted in **Figure 2-2**, several business ethics training-related terms were required for keyword searches. Three terminological themes emerge within the extant literature and reflect terms used to describe *ethics*, *business*, and *training* depicted on the x, y, and z-axes respectively.

Figure 2-2: Business ethics training-related terms for keyword searches

(*Source*: Developed for this research)

The focus of this study is on business ethics (highlighted in **Figure 2-2**) and training content. However, the number of possible permutations using the three dimensions stated above can be significant, although not all combinations are found or common within the extant literature. For instance, social responsibility is used in conjunction with the terms business or corporate—e.g., business and society, but not with other business descriptors. For instance, workplace social responsibility or organizational social responsibilities were not encountered.

The first dimension consists of terms used to describe *ethics* and include compliance, integrity, social responsibility, morality, and values. Second, terms used to describe *business* include corporate, organizational or organisational, workplace, and applied (e.g., management, public sector, etc.). Third, terms used to describe training include teaching, education, instruction, learning, development, curriculum, Andragogy, didactic, and so forth.

In sum, many terms are used to describe "business ethics" and "training", many of which are treated synonymously within the extant body of knowledge. In contrast, some authors suggest subtle nuances between various terms. According to the literature review, a key observation is the lack of consensus on terminology within the field of business ethics. To avoid missing any material information during the literature review, keyword searches used in this study

erred on the side of being more inclusionary with further refinement made as required. Finally, turning from the fundamental issue of terminology, a contemporary view and model of an *organizational business ethics program* is introduced next.

2.2.1   Contemporary Model of Institutionalized Business Ethics Program

Expanding on Weber's (1993) model of an institutionalized business ethics program introduced in **Chapter 1**, this brief section enhances the model based on an extensive *analysis*, *synthesis*, and critical *evaluation* of the extant business ethics literature. The contemporary model of **Figure 2-3** serves as a guide delimiting the boundaries of an ethics program, its various components, and their relationships. The Weber (1993) model included five constructs. In contrast, the contemporary model includes nine constructs and associated relationships between constructs, each with an associated body of research. Added constructs include moral development or reasoning, ethical decision-making (awareness or judgment), the external environment (Jones 1991), and organizational control regimes.

The organizational control regime—preventive, detective, and corrective measures, was added to the model because, similar to other disciplines such as information security, any breach of ethics should lead to lessons learned which then inform future training initiatives. The external environment was added given its particularly relevant for environmental scanning and discovery of emergent ethical risk areas described under the parent theory of risk management. Both constructs serve as inputs to an ethics-training program.

Figure 2-3: Contemporary model of Institutionalized Business Ethics Program (IBEP)
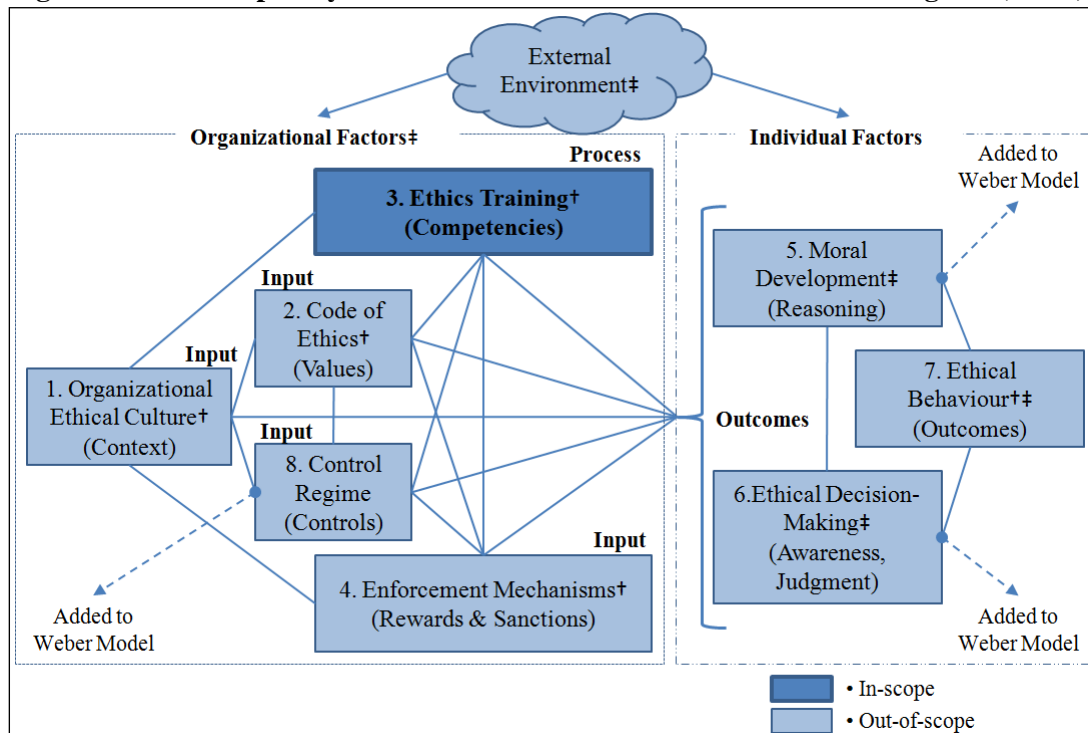
(*Adapted from*: Weber 1993, p. 420†; Jones 1991, p. 379‡; literature review)

The focus of this study is limited to ethics training (construct № 3), and in particular training *content* in terms of desirable *competencies*, or knowledge, skills, abilities, and other characteristics (KSAOs) for BE practitioners.

Finally, another enhancement to the revised model lies in grouping constructs according to two dimensions. First, a *logic model* was applied along with labels of input, process, or outcome. Since the focus is on ethics training, this *process* requires *inputs* in terms of the organization's ethical culture and its code of ethics, control regime and enforcement mechanisms to help inform the selection of appropriate and relevant training content. Similarly, anticipated *outcomes* of an ethics-training program would be moral development, and ethical decision-making and behaviour that are outside the scope of this study. Second, constructs are grouped according to *organizational factors* that include the ethics-training program, and finally *individual factors* such as decision-making and ethical behaviour.

Having briefly introduced the extended contemporary model, two constructs are examined under the parent theory as depicted in **Figure 2-1** that provides an analytical model of the research problem and its parent theories. First, the *ethics program regime* is introduced as it weighs heavily on the selection of content for an ethics-training program. Next, *ethics training content* and perceived gaps between academia and industry are discussed further

from the brief overview provided in **Chapter 1**. A third section touching on previous material research is also briefly introduced before concluding this section.

2.2.2 Ethics Program Regimes

Given a predominant US-centric focus within the extant business ethics literature, the body of knowledge is replete with references to compliance programs, risks, objectives, and so forth that coincide with a more *legalistic* environment or culture such as the US. However, another view is also common and involves *aspirational* objectives beyond mere compliance (Adobor 2006; Ezekiel 2006; Joseph 2002; Rotta 2010; Saner & von Baeyer 2005b). These views underlie the basic ethical culture or climate and approach to ethical decision-making within an organization and form the basis of an organization's *ethics regime* depicted in **Figure 2-4** and defined as a systematic mode of rule/management.

Figure 2-4: Typology of BE program regimes
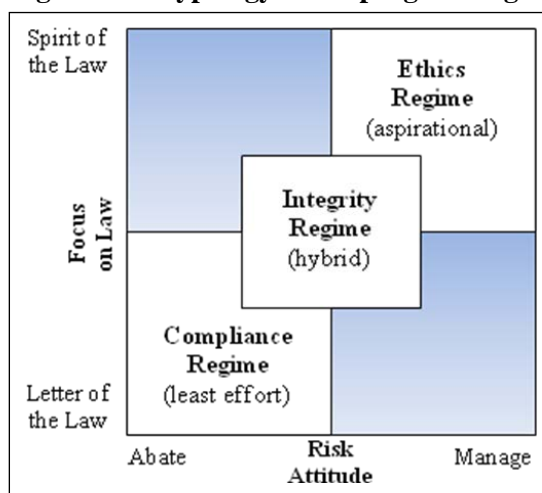
(*Source*: Developed for this research)

Three ethics program regimes and corresponding maturity model

The level of maturity of an organizational business ethics program—and by extension its ethics training program, can be roughly portrayed along a continuum depending on the espoused organizational ethics culture and senior managements' view towards legislation and regulations (y axis) and its attitude towards ethical risk (x axis) as depicted in **Figure 2-4**.

GRC trend and risk management—compliance paradox. Meshing both risk management and legal compliance dimensions into a simple typology of a business ethics program regime is logically aligned with a growing industry trend (ISACA 2011; OCEG 2008; Proctor & Nicolett 2009; Rasmussen 2007) towards an integrated and structured approach to governance, risk management and compliance (GRC) which has become a high-priority goal

for many organizations (Asnar et al. 2010; ERC 2007). However, many practitioners recognize that compliance is different from risk management (Balassone 2011). In addition, much industry guidance suggests a *risk management—compliance paradox* where increased compliance may actually result in less security or risk management. The author of this dissertation, as an experienced and certified risk management practitioner has coined the term "process denial of service" to partially explain this paradox. In essence, *ceteris paribus*, limited organizational resources are increasingly being asked to report on risks to a growing number of stakeholders in a growing number of different formats to the detriment of ensuring added security or risk abatement. Therefore, compliance processes are being fed and served at the cost of providing risk management services. Supporting this view regarding executives' obsession with compliance to legislation and regulation, is an anonymous quote in Kark (2006, p. 2) which states:

> *— but being compliant doesn't necessarily translate into being secure. "In the US, the corporate security effort is so fixated on compliance that companies sometimes lose track of the fact that the regulations are supposed to boost security — they are not just checking boxes to pass an audit." (CTO, global technology company)*

Moreover, Sherwood, Clark and Lynas (2005, p. 29), in using a chain analogy, suggest that the 'checklist approach' of compliance also fails to ensure security because people tend to focus on confirming the chain links exist, but not that they fit securely together. Having rationalized the dimensions for the simple typology, the three regimes are examined next.

Initial maturity level—compliance-based regimes. Beginning with the lowest maturity level, organizations in this quadrant espouse a rule-based (OAG 1995) or compliance-based regime (Sekerka 2009). These organizations focus on respecting the *letter of the law* to avoid administrative and monetary penalties (AMPs) and other adverse consequences (West & Berman 2004) such as incarceration and litigation and espouse a risk avoidance attitude. Compliance-based regimes often treat symptoms of ethical malaise but 'rarely address the root causes of misconduct' (Paine 1994, p. 111). A compliance focus rests primarily on reducing risk (CEB IREC 2011) and expending a minimal amount of corporate resources towards managing risks and respecting laws. This defensive, 'minimalist mindset' (Rasmussen 2005, p. 23) and "least efforts" approach establishes minimum acceptable standards of conduct (DII 2010) and emphasizes prevention of unlawful conduct (Paine 1994). Additionally, many if not most organizations, at least in the US, emphasize a compliance-based approach (Bowen 2004; Sekerka 2009). Further, ethics education and training at the board of Directors level appears to be focused exclusively on compliance issues (Sekerka 2009, p. 92). In addition to often being perceived as superficial "window

dressings" or other such monikers (Murphy & Leet 2007; PwC 2010) that fail to address core ethical issues, Paine (1994, p. 109) also reminds us that legal actions can also be unethical:

> *Managers would be mistaken, however, to regard legal compliance as an adequate means for addressing the full range of ethical issues that arise every day. "If it's legal, it's ethical," is a frequently heard slogan. But conduct that is lawful may be highly problematic from an ethical point of view.*

This *legal—ethical paradox* is also supported by other authors such as Holian (2002, p. 863) who states that '[b]reaking the law is not necessarily unethical and obeying the law can conflict with ethical values.' Moreover, the concept of legalized unethical acts posited by Cavico and Mujtaba (2009) suggest that legislation or regulations may introduce loopholes (Bonabeau 2007) or the possibility for interpretation and unethical acts within the boundaries of the law.

Highest maturity level—ethics-based regimes. At the other end of the maturity spectrum, organizations that espouse a values-based (CSPS 2007, 2008; DII 2010; EPAC 2001; OAG 1995; Sekerka 2009), principles-based, engagement-based (Ezekiel 2006), or ethics-based regime are focused on respecting the *spirit of the law*. Additionally, these aspirational, lofty, or "higher ground" programs hold organizations to a more robust standard (Sekerka 2009). In contrast to compliance-based programs rooted in avoiding legal and other sanctions, ethics-based regimes are based on self-governance following ethical values and guiding principles (Paine 1994)—e.g., ISO 26000 on Social Responsibility, "do no harm", the Golden Rule, and so forth. What is more, ethics-based regimes help to guide employee conduct in grey areas, absent any clear rules (DII 2010).

The inherent advantage of principles or values-based programs over rigid rules-based programs rests in the fact that rules are created in a reactionary fashion, often following protracted periods of abuse. Besides, rules cannot cover all aspects of business whereas guiding principles and values apply across different situations and dilemmas. Further, ethics-based regimes are concerned with the more mature concept of risk management instead of risk reduction (CEB IREC 2011), exploring a more fulsome response and gambit of options to manage risks—e.g., acceptance, avoidance, transferral, and mitigation.

In contrast, a complaint of ethics-based regimes is that any social responsibility initiatives may be perceived as superficial "bluewashing"—essentially marketing or public relations ploys to improve organizational image (Cavanagh 2004; Joseph 2002). Another criticism of

philanthropic and Corporate Social Responsibility (CSR) initiatives under an ethics-based regime rests in the underlying principle and debate regarding an organization's core function. Using an over-simplified description, proponents on the one hand that support Friedman's Stockholder Theory (1962) suggest that there is only one social responsibility of an organization—to increase shareholder profits (Beauchamp, Bowie & Arnold 2009; Boatright 2003; Di Norcia 1998). The analogous concept of "gold plating" (Mulcahy 2000) in project management may help to further contextualize. Gold plating consists of providing extra (out of scope) services or functionality to a product that may or may not provide perceived value or benefits to clients. From a purist point of view, regardless or not of the clients' perceived value of any gold plating, any extra effort spent on providing added functionality is at the cost of approved work within a project's scope. In a sense, when an organization decides to invest resources into any social cause, it does so at the cost of other potentially more relevant or important causes and therefore is likely to draw criticism from various stakeholders.

However, on the other hand of the debate on organizational management theories, proponents of Freeman's Stakeholder Theory (1984) perceive organizations as having a broader mandate that includes social investments and responsibilities that address other parties including governments, communities, prospective employees and customers, and the public at large.

Midpoint maturity level—integrity-based regimes. A third, hybrid model exists somewhere in between purely compliance-based and ethics-based regimes. While the moniker "integrity" may be somewhat confusing as this was synonymously used to describe ethics-based regimes (cf. Paine 1994), the use of the term integrity is consistent with the Conference Board of Canada (CBoC)'s *Integrity Manager Profile* (Ezekiel 2006) which suggests that Integrity Managers hold a balanced view of both compliance and ethics. This consolidated or integrated view is also espoused in the Chief Ethics and Compliance Officer (CECO) role (ERC 2007).

Implications of different BE program regimes on ethics training content. Knowing which type of regime is in place within an organization is a critical dimension amongst many to help select appropriate business ethics instructional content (Joseph 2002; Rotta 2010). Operationally, this means that training with aspirational purposes under an *ethics-based regime* is more likely to cover topics such as outcomes and consequences, a long-term perspective, social responsibility (Sekerka 2009), transparency, the importance of ethics, and balancing law and ethics (West & Berman 2004). In contrast, training with defensive

purposes under a *compliance-based regime* may tend to focus on topics such as conflict of interest (West & Berman 2004), legislation and other instruments (e.g., regulations, rules, policies, procedures, codes of conduct), duty (Sekerka 2009), short-term interests, and so forth. An integrity-based program would attempt to strike a balance between the two regimes.

In summary an organization's attitude towards legislation and ethical risk management were combined to create a simple typology of business ethics program regimes which can serve as a rough approximation of a BE program's maturity level. In addition, the implication of an ethics regime on training content was also introduced.

2.2.3 Ethics Training Content

Building on the contemporary model previously introduced in **Figure 2-3** (depicted in the top portion of **Figure 2-5**), this next section drills down into the various elements of an ethics training program to focus on ethics training content, and in particular competencies, or knowledge, skills, abilities and other characteristics (KSAOs) as depicted in **Figure 2-5** and further discussed under the parent theory on competency-based management (CBM).

Four components of business ethics training

Business ethics *training content* is one of four components of teaching business ethics. The other three include *training objectives* (Kirkpatrick & Kirkpatrick 2006; Porter 2004; Waples et al. 2008), *training approaches* (Black & Mendenhall 1989; Kaptein & Schwartz 2007; Kirkpatrick & Kirkpatrick 2006; Waples et al. 2008) or methods (Meister 1998), and *training evaluation* (Hurt 2006; Kirkpatrick & Kirkpatrick 2006; Morris 2001; Waples et al. 2008).

Six Ws paradigm. A pragmatic approach to view the four elements of a business ethics-training program involves using a W-6 model of business ethics instruction (depicted on the left-hand side of **Figure 2-5**). These six questions are typically applied in many fields and include what, why, how, where, when, and who.

Figure 2-5: A content scheme for BE development
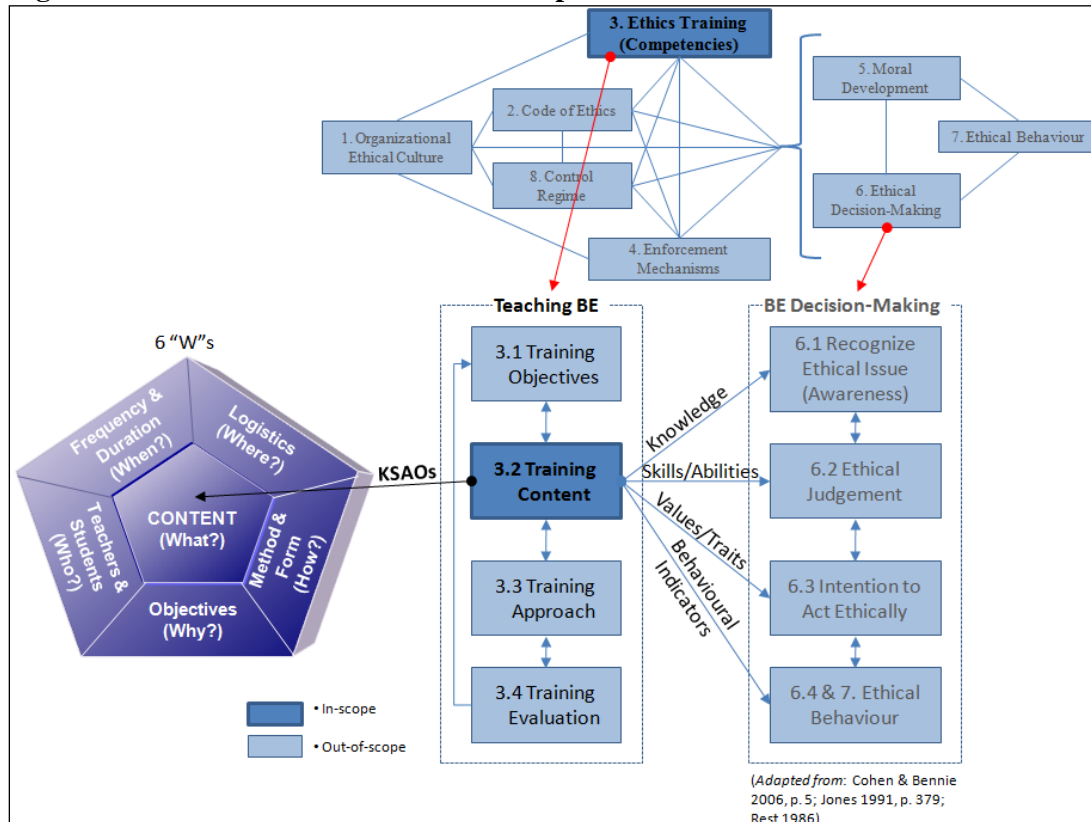
(*Source*: Developed for this research)

> '*I keep six honest serving-men (they taught me all I knew); their names are What and Why and When and How and Where and Who.*'
>
> – *Rudyard Kipling, British author and poet (1865-1936)*

First, program designers should consider the <u>objectives</u> (Lermack 2003) or approach (Rossouw 2002) of BE instruction or the *why*. Objectives may include teaching for the purposes of instilling *cognitive*, *behavioural*, and/or *managerial competencies* and which purpose is chosen will affect both the content (the *what*) being taught and delivery (the *how*) methods (Rossouw 2002). Also supporting the view of three general training program objectives, Lermack (2003) suggests training can be to instil *knowledge*, *skills*, and/or *perspective setting* (organizational context) which correspond closely to Rossouw's (2002) cognitive, behavioural, and managerial competencies respectively. Still, the BRICE (2007) posits a third view of instilling *knowledge*, *skills*, and greater *self-awareness*. Second, the target audience in terms of *who* the students will be must considered. For adults within an organization, Andragogical learning theory would apply (Lermack 2003). Next, *what* <u>content</u> a program should include is determined. The fourth, fifth, and sixth questions relate to the delivery <u>approach</u> to ethics instruction and involve determining *how* a program is delivered in terms of methods (cf. Meister 1998) or forms, *when* training is provided in terms of frequency and duration, and *where* training takes place in terms of logistics, respectively.

Finally, evaluation also involves determining *how* to assess training effectiveness in terms of methods or forms.

The final dimension reflected in **Figure 2-5** depicts how training content, in terms of KSAOs, may provide for improved outcomes such as better ethical risk-informed decision-making.

Paucity of research on business ethics *content* and associated gaps

Despite previous research into various elements of business ethics training, there is a paucity of research into the actual *content* to address required competencies. Also, the extant research focuses either on training objectives or outcomes, or on pedagogical/Andragogical methods (delivery), implicitly assuming ethics training *content* validity, materiality, integrity, commonality, clarity, accuracy, completeness, and so forth. For instance, Lundberg (1972, p. 10) observed that the content of executive development programs had been neglected, stating:

> *The attention devoted to executive programs has produced a wealth of information... so that the who, where, when, why, and how questions are relatively well considered. Surprisingly, however,* ***the content (the what) of executive programs has been less focused upon****... The* ***lack of emphasis on content*** *may, however, also reflect the fact that there are* ***few general devices*** *available* ***to offer*** *perspective and* ***guidance*** *to considerations of content.* (Emphasis added)

This study posits that training content can be effectively addressed through the identification of key KSAOs and risk areas. In the absence of clearly defined essential KSAOs, those charged with developing corporate training courses are left to their own devises to determine what content is most important or appropriate from a broad universe of potential material.

Many other researchers support the existence of this important gap surrounding training content. For example, West and Berman (2004, p. 203) state:

> *....****more research is needed on ethics training, particularly*** *the factors causing organizations to pursue it, and issues associated with* ***the effectiveness of the training material****, especially from the trainees' perspective.* ***Was the material covered relevant to their jobs?*** *Were the analytical tools useful in resolving day-to-day ethical dilemmas? Was the mode of instruction sufficiently engaging to capture their interest? Was the time allocated sufficient to accomplish the learning objectives of the training program?* (Emphasis added)

Scarcity of empirical research involving practitioners. Another area of relative theoretical neglect is the scarcity of academic research involving corporate ethics officers (Adobor 2006; Morf et al. 1999; Smith 2003) and ethics administrators in government (Smith 2003). This view is also shared by Loe et al. (2000, pp. 199-200) who state: 'Additional studies using industry samples is important to gaining face validity and in providing research results that will be given serious consideration by practitioners.' Finally, despite the extant literature,

consensus on ethics training objectives, content, methods, and evaluation is fleeting (Baetz & Sharp 2004; Weber 1990, 2007). This lack of empirical research involving industry practitioners leads to the first research issue:

> RI 1: *What core set of KSAOs (knowledge, skills, abilities, and other characteristics) are important to business ethics practitioners?*

Subjective choice of BE training content/lack of transparency. The reasons for choosing a particular set of topics and issues over others to discuss in a business ethics program are varied and many, though these are seldom if ever explicitly identified. With respect to Canada's largest employer, the federal public service, the Office of the Auditor General (OAG 2000) recommended that the Treasury Board Secretariat (TBS) establish comprehensive values and ethics initiatives. However, a follow-up (OAG 2003, p. 13) noted:

> *...the Treasury Board Secretariat chose to give departments considerable latitude to develop and implement values and ethics initiatives. We are concerned that the Secretariat has **no model outlining what a comprehensive values and ethics initiative should contain** and no deadlines for departments to develop and implement an initiative...* (Emphasis added)

Further, the OAG report makes a number of relevant recommendations which included the development of a model for comprehensive departmental values and ethics initiatives that '**takes into account** the **risks** faced by departments' (OAG 2003, p. 14) and ensuring that '**departments have the expertise they need**, a working knowledge of organizational ethics and best practices, and the capacity to provide **appropriate training** to staff...' (OAG 2003, p. 14). Arguably, little government-wide progress has been made since these recommendations were tabled by the OAG originally in 2000.

This lack of transparency and a guiding model becomes problematic for future research as the choice of content is left to each organization and can vary significantly from one organization to the next. Accordingly, Pamental (1991, p. 392) states that 'if we hope to gain some benefit from the teaching of business ethics, on behalf of both the individual and society, **then the issues chosen for inclusion**, the questions asked, **must be screened**' (emphasis added). Also, '...decisions [on scope—the boundaries for the inclusion of material] should not be arbitrary, but reasoned and justifiable' (Sims 2002, p. 118). Basing ethics training content on a conceptually developed and empirically validated competency model of KSAOs and ethical risk areas is therefore one potentially viable solution to address this seemingly arbitrariness and variability in course content.

Other gaps relevant to training content. In Chapter 1 a "knowing-doing" gap where teaching has not kept pace with relevant ethical issues was introduced and corresponds with key finding (№ 2) in **Table 2-1**. The knowing-doing gap is one of many other gaps identified within the extant literature which suggest a misalignment between academia and industry on a number of issues relating to *ethics training content* such as the relative importance of theory (finding № 4), focus on issues non-germane to most learners (finding № 1), and so forth.

Table 2-1: A call for more relevance in BE education and emerging issue identification

№	Key Findings	References
1	Focus on unpragmatic and non-germane ethical issues targeting the wrong level of accountability and authority.	Brummer 1985; de Rond 1996; Farrell et al. 2002; others
2	Protracted process to incorporate current and emergent ethical issues within training curricula.	Pellet 2007; Sims 2002; Weisman 2007
3	Low adoption of best practice to conduct ethical risk exploration and assessment.	Alberts & Dorofee 2009; Sekerka 2009
4	Over-emphasis on theory.	Ferrell & Ferrell 2006; Mathison 1988; McNamara c. 1993; Pellet 2007
5	Need for an emergent risk exploration method.	IRGC 2010; Sekerka 2009

(*Source*: Developed for this research)

In essence, **Table 2-1** serves as a call for more relevance in business ethics instruction and the need for a content selection model that takes into consideration ethical risks faced by organizations (finding № 5). Given the perceived discrepancies between academics and practitioners and the potential for over or under-emphasized instructional content, the following research issues emerge:

RI 2: *What core set of KSAOs are considered important by academia?*

In turn, given research issue № 1 stated above, and the gaps identified:

RI 3: *How do perceptions of important KSAOs differ between business ethics industry practitioners and academics?*

Having discussed issues surrounding ethics training content and introduced three research issues resulting from perceived differences in importance of BE instructional content, the next brief section identifies the most relevant research within the extant BE literature.

2.2.4 Previous Material Research

This section briefly introduces two aspects stemming from the review of previous research. First, research on lead or authoritative sources in business ethics is examined to help identify influential papers. Second, relevant doctoral dissertations and research papers are considered.

Lead/Authoritative Business Ethics (BE) Sources

Identification of top ranked business ethics scholarly journals and commonly cited academic textbooks, casebooks, and collections and leading scholars, authors, or experts in the field of business ethics was performed to help inform the selection of relevant materials for the document analysis portion of this study discussed under **Chapter 3**. For example, top-cited BE journals include the *Journal of Business Ethics (JBE)* and *Business Ethics Quarterly (BEQ)*. Finally, identifying lead and authoritative sources in BE helped to identify key debates, criticisms, or myths in BE training objectives, content, delivery methods, or evaluation.

Relevant Doctoral Dissertations and Research Papers

Three doctoral dissertations were identified as somewhat relevant to the present study. Additionally, over a dozen relevant research papers were also identified through an extensive *analysis*, *synthesis*, and *critical evaluation* of the extant literature, as reflected in **Table 2-2**. The examples provided here are only representative of those papers relevant to this research study. Additional *thick details* (Leedy & Ormrod 2001) have not been included as they provide details about field notes summarizing findings of previous studies in competency-based management or business ethics research.

Table 2-2: Critical analysis of previous competency-based or business ethics research

№	Study	Type	Field	Parent Theory	Focus
1	Henry 2002	Doctoral Dissertation	Business	BE	Content (knowledge)
2	Porter 2004	Doctoral Dissertation	Healthcare	BE	Objectives
3	Surakka 2005	Doctoral Dissertation	IT	CBM	Content (knowledge & skills)
4	Aasheim, Li & Williams 2009	Research Paper	IT	CBM	Content (knowledge & skills)
5	Davis et al. 2005	Research Paper	Nursing	CBM	Content (knowledge & skills)
6	DLI 2007	Research Paper	Public Sector leadership	CBM	Content (competencies)
7	Erwee et al. 2002	Research Paper	Higher education leadership	CBM	Content (competencies)

(*Source*: Developed for this research)

Henry (2002). Henry's dissertation relates to the current study given its focus on BE content and use of a *document analysis* research methodology (Phase I of this study) to examine business ethics included within four general textbooks representing academia, and four general business journals representing industry. However, Henry's study has a number of limitations in terms of quality (e.g., insufficient details to draw similar conclusions), external validity (e.g., US-centric), internal validity (e.g., use of general undergraduate level college

textbooks vs. business ethics textbooks; review of subject indexes only), construct validity (e.g., no taxonomy to classify content and different levels of topical granularity), and so forth.

Porter (2004). This US-centric dissertation and qualitative research relates to the current study through its use of classification theory to create a typology and added specificity in healthcare ethics education. Finally, Porter (2004, p. 158) recommends the creation of a taxonomy using a questionnaire on 'professors who teach ethics education' and 'practitioners in the field' (Phase II of this study).

Surakka (2005). This Finnish dissertation relates to the current study through its use of mixed methods and triangulation (e.g., content analysis of job advertisements – Phase one of this study) to identify knowledge and skills required within a particular discipline.

2.3 Competency Management (CM) Parent Theory

Turning from the parent theory of institutionalized business ethics programs, this section focuses on the parent theory of competency management (CM) shown in **Figure 2-1**, and on competency models and competencies in particular. Furthermore, to develop a preliminary BE competency framework and survey instrument used to validate and refine the preliminary taxonomy of KSAOs, an extensive literature review was conducted and is summarized in **Table 2-3** by type and sector (academic vs. industry) given the study's focus on comparing perceptions of important BE competencies between industry and academia.

Table 2-3: Competency-based learning body of knowledge (BoK) literature review summary

Document Type	Description	Academic	Industry Public	Private	Non-Profit	Total	Sample References
Meta-Analysis	Analysis comparing and contrasting other works	3	3			6	Cardy & Selvarajan 2006; Collins 1989; Ennis 2008
Authoritative	Influential, highly referenced or cited, or *de facto* guide; topical or process experts	4	3	9	1	17	Boyatzis 1982; McClelland 1973; Prahalad & Hamel 1990; Schippmann et al. 2000
Material	Relevant for the study	24	31	16	6	77	Aasheim, Li & Williams 2009; BRICE 2005a; Erwee et al. 2002;
Innovative	Includes novel or innovative ideas	8	1	3	2	14	Campion et al. 2011; Surakka 2005, 2007; Tett et al. 2000
Sundries	Miscellaneous or not fully accessible (fee-based access)	16				16	Represents a minimum number reviewed
				Count		130	

(*Source*: Developed for this research)

In **Table 2-3**, documents reviewed were assigned a unique type depending on whether or not they introduced novel ideas (innovative), stemmed from a generally recognized (authoritative) source or were often quoted or referenced within the BoK, or provided a comparative analysis (meta-analysis). The categories are not mutually exclusive therefore judgement was required to assess the primary affinity of each document.

Having briefly defined the Competency Management *corpus* examined for this study, this section is divided into four sub-sections. First, the broad topic of Competency-Based Management (CBM) is introduced along with a short historical development of the field and some constructs and definitions as well as an anatomy of a competency dictionary (Section 2.3.1). Second, common uses, benefits, and challenges of competency modelling are introduced (Section 2.3.2). Next, the narrower field of Competency-Based Learning (CBL) is

introduced (Section 2.3.3). Finally, business ethics roles, a competency architecture, and related competency model benchmarks are examined under (Section 2.3.4).

2.3.1 Competency-Based Management (CBM)

Competency management (CM), competency-based management (CBM) (Draganidis & Mentzas 2006; Horton 2000a; TBS & PSC 1999), or competency-based HR management (Hollenbeck et al. 2006; OPM 2000; PSC 1997; TBS 2009b) is a management methodology that supports the integration and standardization of all HR activities (Rodriguez et al. 2002) based on competencies that support achievement of organizational goals and objectives (HRSG 2012; TBS & PSC 1999). Specifically, CBM is defined as 'the application of a set of competencies to the management of human resources to achieve both excellence in performance and results that are relevant to the organization's business strategies' (TBS & PSC 1999, p. 2)

Historical development of the CBM field and adoption within Business Ethics (BE) field
CBM has been used in one form or another for over half a century but has gained significant momentum in the past decade and continues to be an important HR management process. Changes over time involve primarily an initial job-centric focus on "what" jobs entailed using job analysis techniques with a later shift to a people-centric focus on "how" to accomplish a job using competency modelling as depicted in **Figure 2-6**.

Historically job-centric job analysis techniques were first used by Industrial and Organizational (I/O) Psychologists to identify the tasks performed on a job, though some techniques remain valid for competency modelling to identify the 'knowledge, skills and abilities required to perform that job' (PSC 1997, p. 10). In contrast, the notion of "competency", dealing with people-centric knowledge, skills, abilities (KSA) and behaviours is oft attributed to McClelland's (1973) seminal article.

Figure 2-6: Historical development of competency-based management and its adoption to BE
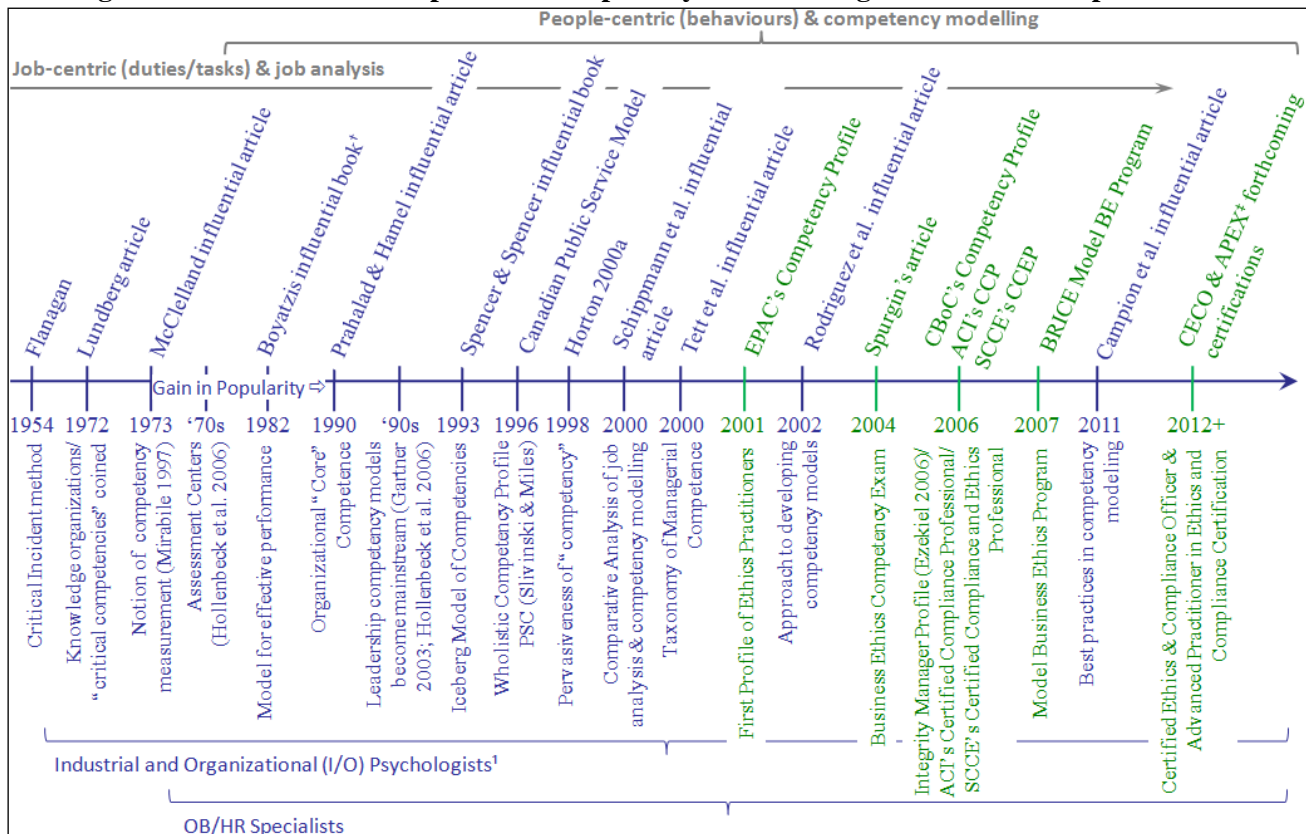
(*Source*: Developed for this research)

Competency models have been used to select employees for over 30 years (Ennis 2008) but the popularity of competencies began to grow amongst Organizational Behaviour (OB) and Human Resources (HR) practitioners, and in the '70s assessment centres became fashionable (Hollenbeck et al. 2006). Moreover, Boyatzis' (1982) influential book further popularized the notion of competencies and remains oft cited for its definition of "competencies". Further, as of the '90s, competency modelling became more prevalent and leadership competency models became mainstream (Holincheck 2003; Hollenbeck et al. 2006). By the new millennium, Schippmann et al. (2000) developed a comparative analysis of job analysis and competency modelling techniques that also remains an oft-cited source in the contemporary competency management body of knowledge (CM BOK). Another popular and oft-cited article on developing competency models was published by Rodriguez et al. (2002). Finally, a contemporary article, which provides best practices in competency modelling, belongs to Champion et al. (2011). These best practices are leveraged within this study to conceptually develop a provisional competency model for business ethics practitioners.

In summary, **Figure 2-6** provides a time line of the historical evolution of competency modelling which spans nearly four decades showing a trend from traditional job analysis

amongst a narrow community of I/O psychologists to a broader adoption including OB/HR practitioners and more prevalent and rigorous use of competency modelling techniques.

Adoption of CBM within Business Ethics. Additionally, an overlay or second view is provided in **Figure 2-6** (in green text) involving competency development specific to the field of business ethics, compliance, or integrity which began in 2001 with the inaugural and innovative *Competency Profile of Ethics Practitioners* developed by the Ethics Practitioners Association of Canada (EPAC 2001). Academically, the merits of a business ethics competency exam are examined by Spurgin (2004) who identified approximately sixteen competencies that are used as one of several benchmarks against the provisional BE competency profile developed for this study. In 2006, a number of developments within the field of business ethics, competency, or integrity competency management emerged. First, the Conference Board of Canada (CBoC) developed an *Integrity Manager Profile* (Ezekiel 2006, p. 15) based on previous works such as the EPAC (2001) competency profile. Second, the Australian Compliance Institute (ACI 2006) released a Guide for Accreditation against its Certified Compliance Professional (CCP) schema. Next, the Society for Corporate Compliance and Ethics (SCCE 2011) launched its Certified Compliance and Ethics Professional (CCEP) designation in 2006. The following year, the Business Roundtable Institute for Corporate Ethics (BRICE 2007) released its principles and practices for a Model Business Ethics Program that identifies approximately nineteen competencies that are also used as one of several benchmarks against the provisional BE competency profile developed for this study. Likewise, in 2007, the Ethics Resource Center (ERC), in collaboration with four other leading non-profit organizations (BRICE, ECOA, OCEG, and SCCE) issued a report on the roles and responsibilities of Chief Ethics & Compliance Officers (CECOs) which also contained over 28 competencies that serve as another industry benchmark.

Finally, during development of this study, other forthcoming professional certifications included the European Ethics and Compliance Officer (ECO 2012) Forum Certified Ethics & Compliance Officer (CECO) and the Ethics & Compliance Officer Association (ECOA 2012) Advanced Practitioner in Ethics and Compliance Certification (APEX).

Competency Constructs and Definitions

This section identifies and describes various competency-based management constructs as well as their relationships. **Figure 2-7** provides a high level conceptual framework that depicts the relationship between various components of competency modelling such as

competency models, profiles, dictionaries, competencies—knowledge, skills abilities, and other characteristics (KSAOs) such as traits and values, and behavioural indicators.

Figure 2-7: Relationship model between the various components of competency modelling
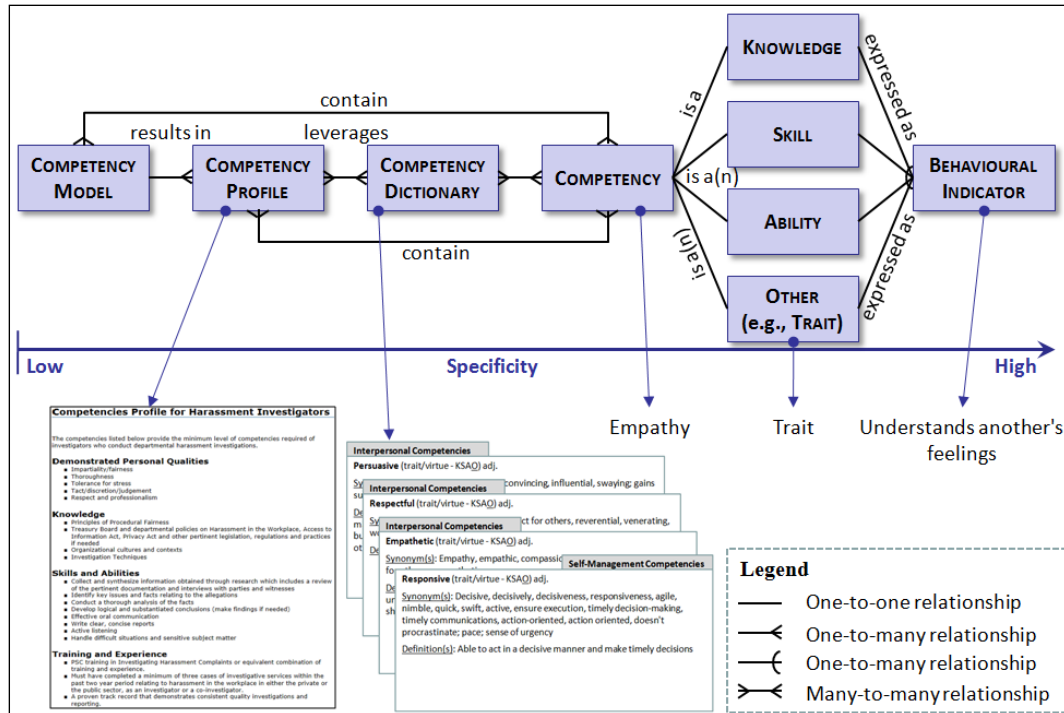
(*Source*: Developed for this research)

As depicted in **Figure 2-7**, a given *competency model* may result in the creation of one or more *competency profiles* or *competency dictionaries*. However, the distinction between a competency model and competency profile (PSC 1997) or job profile (Mirabile 1997) in the extant literature is not frequent so these terms are often considered synonymous along with other terms such as competency architecture (HRSG 2012) or structure. In turn, one of more *competency profiles* can leverage one or more *competency dictionaries*. Competency models, profiles, and dictionaries all contain *competencies*; however, the level of detail can vary significantly. The most detailed of the three is typically the competency dictionary yet these may be general in nature and applicable to several different roles therefore a competency profile (tailored to a specific role and organizational context) may contain more specificity than a competency dictionary.

Next, *knowledge*, *skills*, *abilities*, and *other characteristics* (KSAOs) such as traits and values are all competencies. Additionally, knowledge, skills, and abilities (KSAs) can also be compared or contrasted based on their relative level of complexity ranging from low complexity (e.g., basic terminology) to high complexity (e.g., principles and theories).

Moreover, synonymous terminology is used to define various competencies. For example, education and experience are a proxy for demonstrating knowledge. Talent is often used synonymously for ability, and so forth. In addition, in order to provide operationalization of various HR applications or uses to leverage competency profiles, competencies must be expressed in terms of one or more observable and measureable *behaviours*. For example, the competency empathy can be described as a trait and assessed by the behavioural indicator of "understanding another's feelings" and so forth. Further, as depicted by the centre line, the level of specificity typically increases from the left-hand side to the right-hand side. Therefore, competency models are the least specific and behavioural indicators provide the most specificity.

Finally, since consistent use and consensus on Competency-Based Management (CBM) terminology is lacking (CEB CLC 2003; Mirabile 1997; TBS 1994b; Vazirani 2010), the next section provides some definitions for the constructs introduced in **Figure 2-7**. The PSC (1997, p. 2) aptly summarizes this lack of terminological standardization stating: 'There are nearly as many definitions of competency as there are competencies themselves...'

Adapted definitions. For this study, adapted definitions are reflected in **Table 2-4**; however, a number of alternative definitions from the extant literature used to develop these definitions are noted by the sources in the table.

Table 2-4: Sample definitions in competency-based management (CBM)

№	Construct	Adapted Definition / Description	Some sources consulted
1	Competency Model	A framework illustrating the relationships between a set of competencies and effective job performance.	Hollenbeck et al. 2006; PSC 1996; Schippmann et al. 2000
2	Competency Profile	A descriptive taxonomy of competencies needed to function well in a specific job. In this study, the context is competencies needed to perform well as a business ethics, compliance, or integrity practitioner.	Mirabile 1997; PSC 1996
3	Competency Dictionary	A reference tool that contains behavioural and other details on the competencies and proficiency levels for various job families.	Hay/McBer 2004; TBS 2007, 2010c
4	Competency	A characteristic of an individual such as knowledge, skill, ability, or other attribute that underlies work performance or behaviour.	Gomolski 2000; Mirabile 1997; PSC 1996; PWGSC 2009
5	Knowledge	Information that underlies work performance or behaviour.	Marzano & Kendall 2007; Vazirani 2010
6	Skill/Ability	Ability to perform tasks developed through experience or learning that underlies work performance or behaviour.	Astorga 2002; PSC 1996; WordNet 2012
7	Traits	A tendency to act in a defined way that underlies work performance or behaviour – e.g., empathy and respect.	Mirabile 1997; TERMIUM Plus 2012; WordNet 2012

(*Source*: Developed for this research)

Finally, several constructs introduced above and defined in **Table 2-4** form an augmented anatomy or architecture of a comprehensive competency dictionary depicted in **Figure 2-8**. This model stems from the *analysis*, *synthesis*, and critical *evaluation* of many models under the literature review. In this study, only categories (№ 1), titles (№ 2), definitions (№ 5), and a gloss (№ 6) are leveraged.

Figure 2-8: Anatomy (architecture) of a competency dictionary

(*Source:* *Developed for this research; Campion et al. 2011; CBoC 2000; Draganidis & Mentzas 2006; GCSB 2005; Hay/McBer 2004; Mansfield 1996; O*NET c.2009; PSC 1997, 2003; PWGSC 2009b; Rodriguez et al. 2002; TBS 2005a, 2005b, 2007; WHO 2005)

Finally, **Figure 2-8** includes new elements added to the synthesized model for this study that augment the most comprehensive models found within the extant literature. These include a competency type (item № 3) indicating whether a particular competency represents knowledge, a skill or ability, or other characteristic such as a value or trait. In the example above, empathy is considered a trait or virtue and an instance of "other characteristic". This added meta-data assigned to each competency is similar in approach to a regular dictionary entry and can further help to group elements according to a defined taxonomy. Also, given the lack of terminological consistency, aliases (item № 4) containing synonymous terms and a gloss (item № 6) containing simple examples to provided further clarity—a method used with Princeton University's (2012) WordNet lexical database for English, are also used to augment the model which can serve as a pragmatic tool for practitioners.

In summary, this section examined CM, its historical development and applications to BE, introduced some constructs and definitions, and provided an anatomy of a competency dictionary. Next, common uses and benefits of competency models, as well as stakeholders most impacted by or involved in their development are briefly introduced, along with lessons learned and best practices identified within the extant literature.

2.3.2 Uses, Benefits, and Stakeholders (UBS) Competency Framework

The objectives behind the development and use of a competency model can have a large impact on the success of competency modelling. Typically, the most common application of a competency model has for objective learning, training or development (CEB CLC 2003; TBS & PSC 1999) of employee skills and involves the least amount of stakeholders. This can include as few stakeholders as affected employees, line management, and possibly HR advisors. In contrast, the most complex application that requires the broadest stakeholder involvement (trade unions, HR, legal, executive management, affected employees, and so forth) relates to the use for performance management and compensation purposes.

Figure 2-9 depicts a UBS framework developed for this study following the *analysis*, *synthesis*, and *evaluation* of the extant CM literature. This framework shows typical organizational and employee-level Human Resources Management (HRM) <u>uses</u>, <u>benefits</u>, and key <u>stakeholders</u> affected by or involved in developing competency models.

Figure 2-9: UBS framework: uses, benefits, and stakeholders of competency models
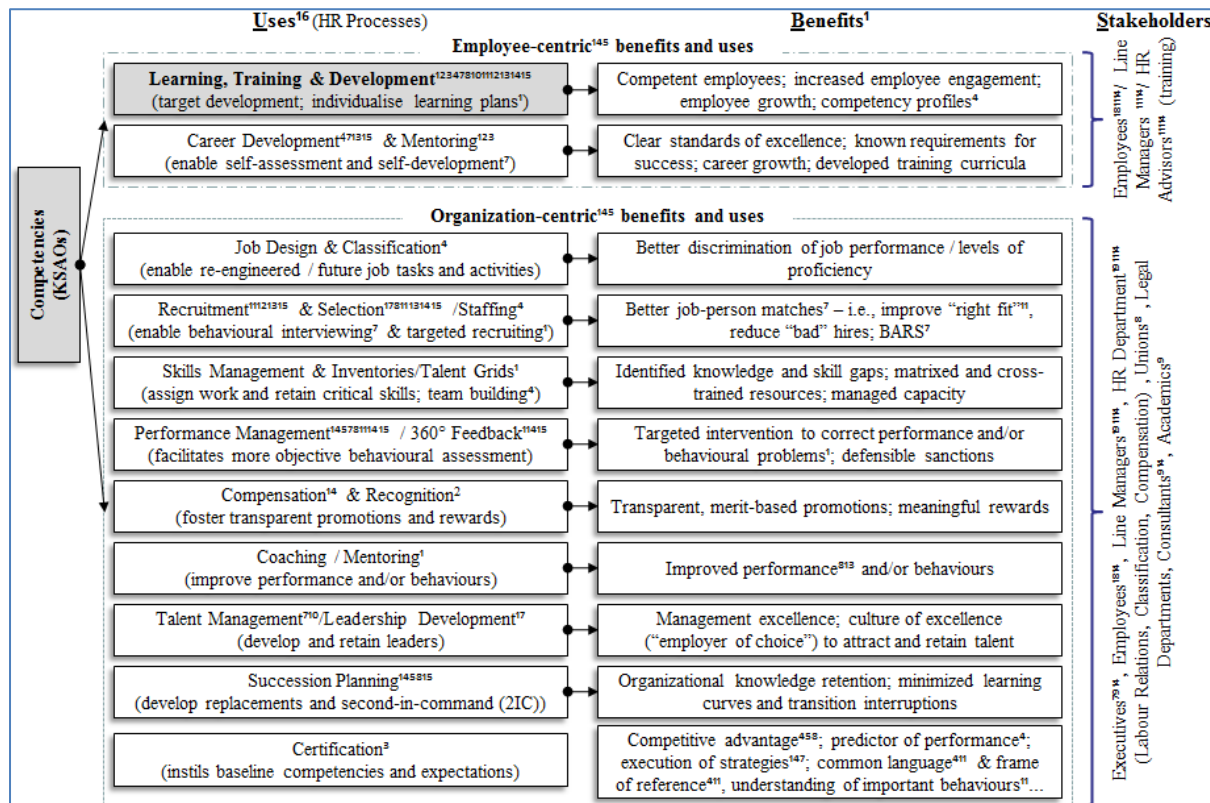
(*Source*: Developed for this research)

Despite ongoing debates, many agree on the merits of competency models for learning.
Some proponents such as Hollenbeck and McCall see the competency movement as nothing
more than a fad or enchantment, built on shaky ground and faulty assumptions such as the
notion that a 'single set of characteristics adequately describes effective' behaviours and that
each competency is independent of context and others and additive; therefore having more of
each makes a person better (Hollenbeck et al. 2006, p. 399). Moreover, Hollenbeck and
McCall (Hollenbeck et al. 2006, p. 399) states that 'no one set, whether 15 or 20 or 180,
includes all the potentially useful competencies, and even if they did, no one person has them
all.' However, Hollenbeck and McCall do concede the value of competency models with
respect to training and development, stating: '**We do not argue that competencies cannot
be useful in a minimum standards approach to...development**' (Emphasis added).
Likewise, proponents of competency models such as Silzer (Hollenbeck et al. 2006, p. 402)
steadfastly hold to the value of competency models for developmental purposes, stating:

> *competencies can provide clear guidance on the behaviors that seasoned incumbents think are
> related to effectiveness. They **provide a tremendous educational tool to people** trying to learn
> how to become more effective*. (Emphasis added)

Accordingly, influential industry sources also see the merits of competency models in
providing a framework for learning, development, and training (CEB CLC 2003). Regardless

of which side one favours in the debate, arguably both sides agree that competency models are never intended to represent a single comprehensive list of requisite KSAOs in a prescriptive manor given the complexity and nature of any given role that necessitates the use of a mix of competencies under different circumstances (Hollenbeck et al. 2006).

Uses, benefits, and stakeholders of competency models

First, typical <u>uses</u> of competency models surround HRM processes such as recruitment, staffing, selection, performance evaluation, succession planning, talent management, coaching, mentoring, and so forth. Other popular uses include facilitating behavioural interviewing and targeted recruiting (PSC 1997). All of these varied uses are touted to yield a broad range of benefits, both from an organizational (demand-side) and individual (supply-side) perspective (CEB CLC 2003; Draganidis & Mentzas 2006; Ennis 2008; PSC 1997).

Second, *organizational-level* <u>benefits</u> include better discrimination of job performance, improved "right fit" or better job-person matches, targeted intervention to correct performance or behavioural problems (CEB CLC 2003), transparent, merit-based promotions, fostering a "culture of excellence" or becoming an "employer of choice" to attract and retain talent, and so forth. Common advantages of adopting competency models touted by researcher and industry practitioners include providing a competitive advantage (Draganidis & Mentzas 2006; Lado & Wilson 1994; PSC 1997), providing a common language and fostering shared understanding of important behaviours and excellence. Moreover, *employee-level* <u>benefits</u> include facilitating self-assessment against clear standards of excellence and known requirements for success, helping to identify mentors and develop learning plans, and facilitating career planning, development, and growth by providing a known career path.

Third, the types and level of engagement of various key <u>stakeholders</u> can vary significantly between competency modelling initiatives, depended on the intended use of any resulting competency framework. The most complex application which requires the broadest range of stakeholder involvement such as trade unions, HR, legal, executive management, affected employees, and so forth relates to the use for performance management and compensation purposes. As these objectives affect the livelihood of individuals, the level of rigour of any resultant competency model and supporting human resources applications must be high. The following quote from the PSC (1997, p. 13) supports this idea:

> *When assessing for staffing, deselection or other areas where appeal or investigations are not uncommon, it is advisable to choose an assessment methodology and tool which is rigorous and*

has a standardized procedure to objectively measure behavioural targets. Conversely, more latitude is generally available in career counselling or training and development. In these cases, more subjective information, self-assessment and a different level of detail is possible.

Having briefly introduced the UBS model, additional clarification relating to intended benefits is now in order to elaborate on a key issue and debate discussed within the extant literature—the *dual nature* of competencies. Essentially, competencies may be bi-directional in nature and this notion is reflected in the anatomy of a competency dictionary previously depicted in **Figure 2-8** as effective behaviours and ineffectual behaviours.

KSAOs may be perceived negatively as well as positively, depending on context. As with any major change initiative—such as the implementation of a competency model (Mirabile 1997), touted benefits may in fact lead to *disadvantages* and other *externalities* infrequently broached within the literature. For instance, an organizational culture and existing HR systems and processes may inhibit the operationalization of new competencies or even overcome existing desirable competencies (Lado & Wilson 1994, p. 700). Besides, every desirable competency, if expressed in the wrong context (PSC 1997, p. 10) or in excess (e.g., to the detriment of other desirable competencies) can also be perceived negatively—e.g., too much 'self-confidence' may become 'arrogance' (Hollenbeck et al. 2006; Tett et al. 2000). Conceptually, this represents the *bi-directionality of traits*. For example, being a perfectionist, extroverted, conscientious, or creative may have merits in certain circumstances, but be detrimental in others; effective or ineffective behaviour can vary depending on the context (PSC 1997). Mirabile (1997, p. 74) supports this view stating that 'the term competence also implies incompetence'. A couple of adages can contextualize further. First, "everything in moderation" stresses that a single competency must not be predominant to the exclusion of all else. Second, the proverbial "two sides to a coin" reminds us that some things can have both favourable and unfavourable consequences. Also, according to the PSC (1997, p. 22), '[u]nderstanding ineffective behaviour may be as valuable as understanding effective behaviour.' In contrast, Silzer (Hollenbeck et al. 2006, p. 411) argues against the popular belief that 'a person's strength frequently becomes a weakness', providing an example that a "team player" unable to stand alone is simply lacking complementary KSAOs such as "decisiveness" or "independence" rather than their "team player" skill leading to incompetence.

In summary, this section synthesized various uses, commonly stated benefits, and stakeholders involved in competency management into a UBS model. It also touched on the

dual nature of competencies and stressed that the most prevalent use of competency models was geared towards training, learning, and development that leads to the next topic of Competency-Based Learning (CBL).

2.3.3 Competency-Based Learning (CBL)

Turning from a general discussion on the many potential uses of competencies as reflected in the UBS model, this section focuses on competency-based learning and includes a brief introduction to competency modelling and job analysis. Further, a competency modelling process is introduced as well as a framework of selection criteria for competency models.

As with any emerging field, there is considerable inconsistency in the use of terminology (Cunningham & Berger 1996) to describe competency-based learning (CBL) (Squires 2003; Voorhees 2001). The terms 'competency-based management education' (CBME) (Albanese 1989), 'competency-based education' (CBE) (NCES 2002; Santopietro Weddel 2006), 'competency-based training' (CBT), or 'performance-based learning' (NCES 2002; Voorhees 2001) have also been used synonymously. CBL is defined as a learning approach that advocates instilling requisite competencies—knowledge, skills, abilities, and other characteristics (KSOAs) which students should master because of their learning experiences. Key to all CBM/CBL initiatives is the competency framework, model (TBS & PSC 1999), profile (TBS & PSC 1999), matrix, or architecture derived from competency modelling.

2.3.3.1   Competency Modelling (Profiling) vs. Job Analysis

Job analysis techniques have been used for over half a century. Job analysis is defined as 'any of several methods of identifying the [roles and] tasks performed on a job or the knowledge, skills and abilities required to perform that job' (PSC 1997, p. 10). Several unique job analysis methods exist, seven of which have been compared and contrasted by Mirabile (1997) and include amongst others: (1) direct observation (Campion et al. 2011; Mirabile 1997); (2) Critical Incident Technique (CIT) (Mirabile 1997; PSC 1997); (3) interviews, including Critical or Behavioural Event Interviews (BEI) (Campion et al. 2011; CEB CLC 2003; Mirabile 1997; PSC 1997); (4) Position Analysis Questionnaire (PAQ) (Mirabile 1997; OPM 1999a); (5) Focus Groups (Campion et al. 2011; CEB CLC 2003; Hay Group 2003; Mirabile 1997; PSC 1997; Rodriguez et al. 2002); and so forth.

However, in today's era of revolutionary and evolutionary changes and dynamic work environment, traditional task or job-centric *job analysis* techniques are less germane to

describing people's work (PSC 1997) and less flexible or pragmatic than competency modelling techniques (Rodriguez et al. 2002). For instance, Slivinski and Miles (in PSC 1997, p. 10) state: 'Tasks and jobs are becoming less useful methods of describing the work of individuals and organization (sic). People and competencies are proving to be a more appropriate unit of analysis.'

In contrast, competency- or people-centric *competency modelling* or *profiling* is used to describe either current or future competencies (PSC 1997, p. 1) and appears to be more relevant (Mirabile 1997; PSC 1996) and has gained popularity since McClelland's (1973) seminal paper. Competency modelling yields one or more competency models or profiles, defined as a descriptive taxonomy of competencies needed to function well in a specific job. This goal aligns well with the exploratory and descriptive nature of this study.

2.3.3.2   Competency modelling process

This section provides an overview of a 4-step competency modelling process and phases used for this study as depicted in **Figure 2-10** that stems from an *analysis*, *synthesis*, and critical *evaluation* of several references (cf. CEB CLC 2003; DLI 2007; Hay Group 2003; Mansfield 1996; PSC 1997).

Figure 2-10: Competency modelling process & phases
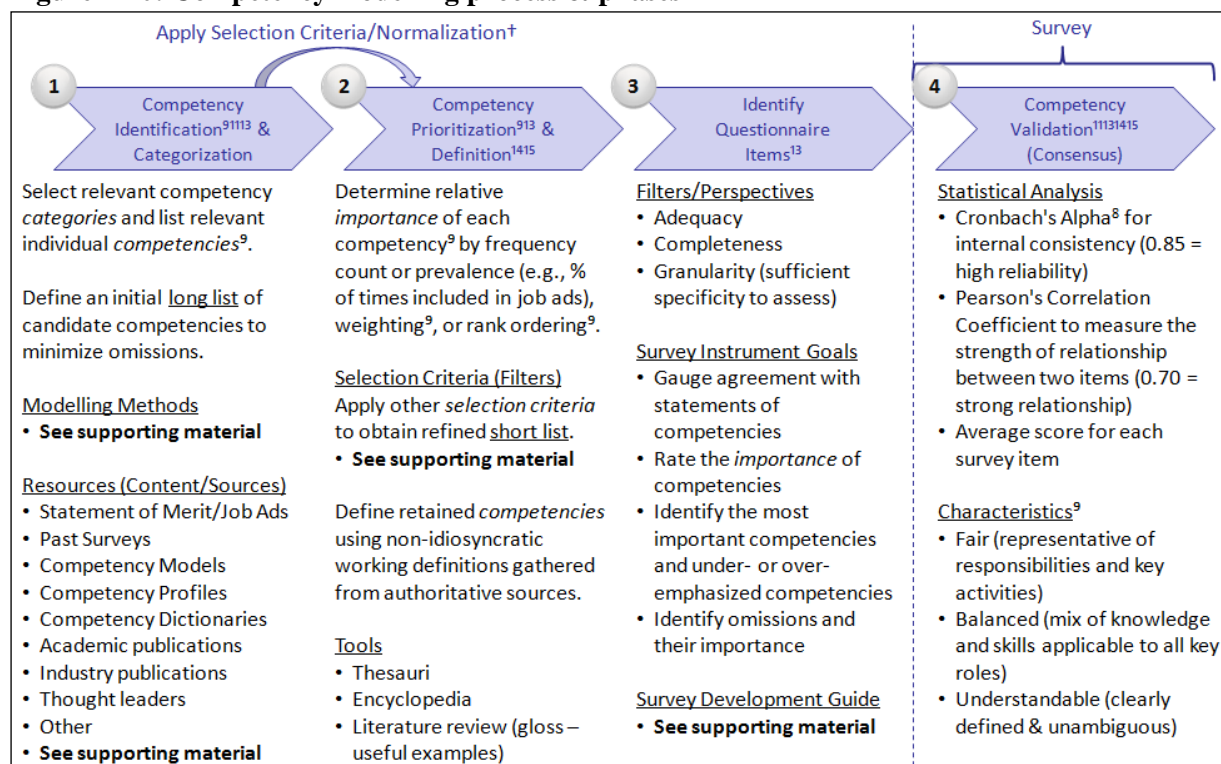
(*Source*: Developed for this research)

Phase 1: Identify Categories, Sub-Categories, and Competencies

This phase involves category and sub-category identification as well as competency identification. This phase considers the categories and sub-categories of greatest relevance to the various roles of ethics, compliance, or integrity practitioners (e.g., Educator, Advisor, and Scholar) identified within the extant literature. Categories and sub-categories, representing the top two tiers of the provisional *BE Competency Model* developed for this study are reflected in **Table 2-5**.

Table 2-5: Categories and sub-categories of KSAOs for business ethics practitioners

Category (Tier 1)	Sub-Category (Tier 2)	Count (x/55)	%	References
Knowledge		3	5%	
	General Knowledge	6	11%	Astorga 2002; ISO/IEC 2005; NZQA 2008; others...
	Business Ethics Issues	0	0	Added for this study
	Organizational Knowledge	20	36%	Astorga 2002; CGSB 2005; Hay Group 1999; others...
Skills, Abilities		0	0	Added for this study
	Thinking Skills	19	35%	Astorga 2002; Cardy & Selvarajan 2006; others...

(*Source*: Developed for this research)

For example, **Table 2-5** includes "Organizational Knowledge" which represents a second tier in the provisional *BE Competency Model*. This sub-category appeared in 36% (or 20 out of 55) of the non-business ethics competency models examined to help build a *generic business competency model* and benchmark for comparative purposed—discussed in **Chapter 5**.

Additionally, a balanced representation of knowledge, skills, abilities, and other characteristics (KSAOs) based on the job, roles, and categories and sub-categories identified are considered in this phase. These competencies reflect a third tier of the provisional *BE Competency Model*. A sample is reflected in **Table 2-6**.

Table 2-6: Knowledge content for business ethics instruction

№	Competencies (Tier 3)	Sources	Emphasis
1	Cases (positive or negative stories)	Cavanaugh 1982, CEBE 1980, others...	Common
2	**Codes of Ethics**	Cavico & Mujtaba 2009; others...	Common
...	Decision-Making Models	BRICE 2007; others...	Common

(*Source*: Developed for this research)

Continuing with the same example above, "knowledge" and "organizational knowledge" represent tiers one and two respectively, while knowledge of "codes of ethics" in **Table 2-6**

represents a third tier (and most granular level) in the provisional *BE Competency Model*. Finally, the column labelled "emphasis" indicates that it is common to find organizational codes of ethics included as instructional content to impart this knowledge to students.

Inter-Phase Process: Apply Selection Criteria/Normalization

As reflected in **Figure 2-10** by the arrow between phases 1 and 2, the application of selection criteria/normalization is an essential step to help inform the selection of appropriate competencies to keep the provisional *BE Competency Model* to a manageable size based on a theoretical and/or empirical "ideal" total number of competencies. A number of KSAOs were identified in previous studies and other works between 1988 and 2011 to arrive at a mean value of 46 unique competencies (KSAOs) derived from the empirical *analysis*, *synthesis*, and *evaluation* of 57 competency models, profiles, research articles and other document types. Finally, selection criteria are described further below.

Phase 2: Prioritize and Define Competencies

Competencies ranking lower than the top 60 in terms of frequency count were dropped. Finally, this phase involves providing non-idiosyncratic definitions and relevant examples (i.e., a gloss) for each provisional competency to ensure greater comprehension when administering a survey. Definitions were adapted from the extensive literature review conducted.

Phases 3 & 4: Identify Questionnaire Items & Competency Validation

These phases are described under Chapter 3 and the final survey was developed from the extensive analysis, synthesis, and critical evaluation of the extant bodies of knowledge.

Having briefly described the competency modelling process employed for this study to develop a provisional *BE Competency Model* and survey instrument, the next section describes a framework of selection criteria for competency models developed for this study. A common critique of many CBM initiatives is the failure to provide any details surrounding selection or screening criteria used to include or exclude competencies from a model.

2.3.3.3   Framework of selection criteria for competency models

As introduced above in **Figure 2-10** and the section on the Inter-Phase Process, several competency identification or normalization criteria were identified following a thorough *analysis*, *synthesis*, and critical *evaluation* of the extant competency-based management

(CBM) literature and document analysis phase describe under **Chapter 3** to develop a framework of selection criteria for competency models depicted in **Figure 2-11**. In turn, this framework was leveraged during the competency modelling process to build the preliminary conceptual *BE Competency Model* and survey instrument.

Figure 2-11: Framework of selection criteria for competency models
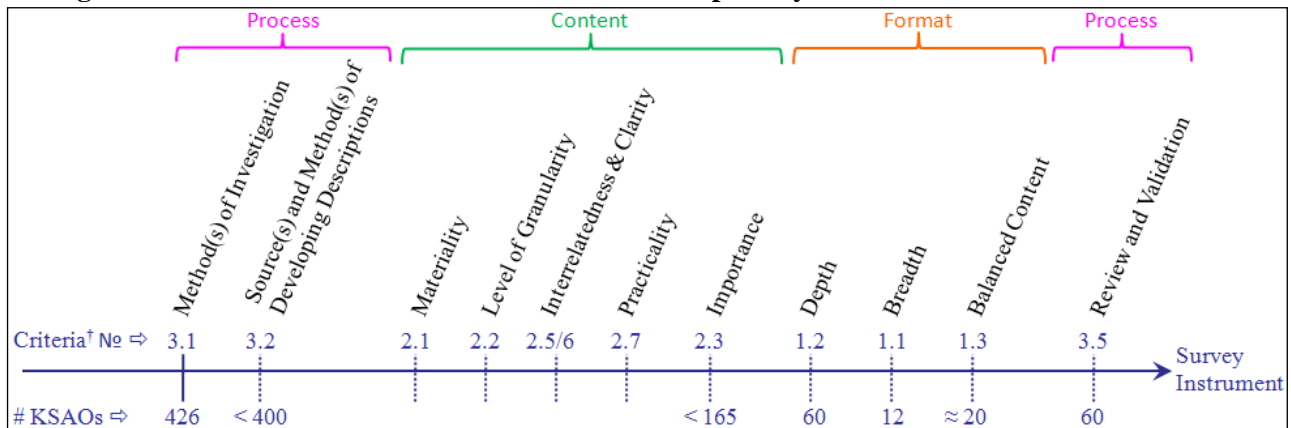
(*Source*: Developed for this research)

Above the horizontal line in **Figure 2-11**, unique selection criteria are numbered (e.g., "2.1 Materiality") and categorized as either involving the *process* of competency modelling (e.g., "3.1 Methods of Investigation") or affecting the *content* (e.g., "2.7 Practicality") or *format* (e.g., "1.3 Balanced Content") of any resulting competency model. However, **Table 2-7** provides an extract for criteria 1.3 on Balanced Content.

Table 2-7: Knowledge content for business ethics instruction

№	Criteria & Description	Application within the study / General Findings	References
1.3	**Balanced Model Content** Definition: Quality of being in equilibrium; degree of coverage amongst the various KSAOs Dimensions: Single vs. multiple components of competency; a mix/equal weighting of KSAOs vs. an exclusive focus on knowledge or skills Description: The balance of KSAOs within a particular model. Some models focus exclusively on skills while other are more inclusive and focus on a blend of KSAOs	In this study, a blend of KSAOs was desirable as exclusive focus on knowledge and/or skills has many practical limitations. Also, within the field of Business Ethics, the precedent exists for including a blend of KSAOs as opposed to an exclusive focus on any one component of competency. For instance, extant industry profiles that include a blend of KSAOs are EPAC's (2001) Competency Profile of Ethics Practitioners that identifies approximately 58 KSAOs and the Conference Board of Canada (CBoC) Integrity Manager Profile (Ezekiel 2006) which identifies 35 KSAOs. Applying a balanced weighting of the various components of competencies is somewhat subjective. In this study, 26 knowledge elements are included and 35 skills, abilities, and traits are included, totalling 60 KSAOs.	CEB CLC 2003, p. 15; Schippmann et al. 2000, pp. 714-5;

(*Source*: Developed for this research)

For each of the 20 criteria identified at the start of the analysis, a definition and description were identified as well as dimensions or a range of values. For instance, in terms of "balanced content", a given competency model can chose to focus on a single category of KSAOs (e.g.,

knowledge) which would provide an unbalanced model. In contrast, if a model includes relatively equally weighted knowledge, skills and abilities, and traits the resultant model is considered balanced. Finally, each criterion also includes a description of how it was applied in this study.

Below the horizontal line in **Figure 2-11**, the number of KSAOs identified and included in the model after sequentially applying selection criteria is indicated. For example, an initial list of 426 KSAOs were identified as a result of a comprehensive *analysis*, *synthesis*, and critical *evaluation* of the extant CBM and BE literatures and document analysis, independent of any prioritization schema such as frequency counts and so forth. This raw, unfiltered list of KSAOs was then reduced to fewer than 165 competencies after applying various filters such as "materiality", "granularity", "practicality" and so forth. Next, "depth", "breadth" and "balanced content" were considered to arrive at a tentative model of 60 KSAOs for inclusion in the survey instrument for validation and refinement of the initially proposed conceptual *BE Competency Model*. An inclusionary approach, followed by successive rounds of refinement is common to CBM and other conceptual work. For example, Whetten (1989, p. 490) states:

> *When authors begin to map out the conceptual landscape of a topic they should err in favor of including too many factors [(comprehensiveness)], recognizing that over time their ideas will be refined [(parsimony)]. It is generally easier to delete unnecessary or invalid elements than it is to justify additions.*

Self-Assessment against smart practices. Finally, non-prescriptive practice guidelines and a framework of ten dimensions of rigour for competency modelling (cf. Schippmann et al. 2000) was leveraged to ensure sufficient quality and validity in developing the provisional and conceptual *BE Competency Model*.

2.3.4 BE Roles, Competency Architecture, and Related Benchmarks

Turning from a more generic discussion on competency-based learning, this section briefly describes three aspects specific to business ethics and the goal of developing a provisional *BE Competency Model*. First, the process employed to identify the roles of business ethics, compliance, or integrity practitioners is discussed. Second, a business ethics competency architecture is provided based on the BE roles identified. Finally, the use of benchmarks to inform and enrich discussion surrounding the provisional *BE Competency Model* is discussed.

2.3.4.1 Role Identification Process for Business Ethics (BE) Officials

A number of public service, industry, and academic sources were leveraged to identify the six roles of a business ethics, compliance, or integrity officer as depicted in **Figure 2-12**. Sources

include an ethics trade book (cf. Murphy & Leet 200); professional accreditation bodies (cf. ACI c. 2009; SCCE 2010); surveys (cf. CBoC 2005; OECD PUMA 1999); 58 Canadian federal public service ethics position job advertisements between 2006 and 2011; competency profiles (cf. EPAC 2001; O*NET c. 2009; TBS 2001a); and academic studies (cf. Davis et al. 2005; Morf et al. 1999).

The roles most prevalent within the extant BE literature include: (1) Educator, (2) Investigator, (3) Counsellor, (4) Advisor, (5) Manager, and (6) Scholar. Further, alternative terms are also included for each role in brackets following the main title of a role. For instance, the role of educator is also referred to as trainer within the extant literature. Similarly, the manager role of maintaining the ethics program may be referred to as either a leadership role or policy-maker role as incumbents responsible for an institutionalized business ethics program are called upon to develop codes of conduct or acceptable behaviour as well as other ethics-related policies and instruments (i.e., standards, guides, and so forth).

Figure 2-12: Role identification process for business ethics officials
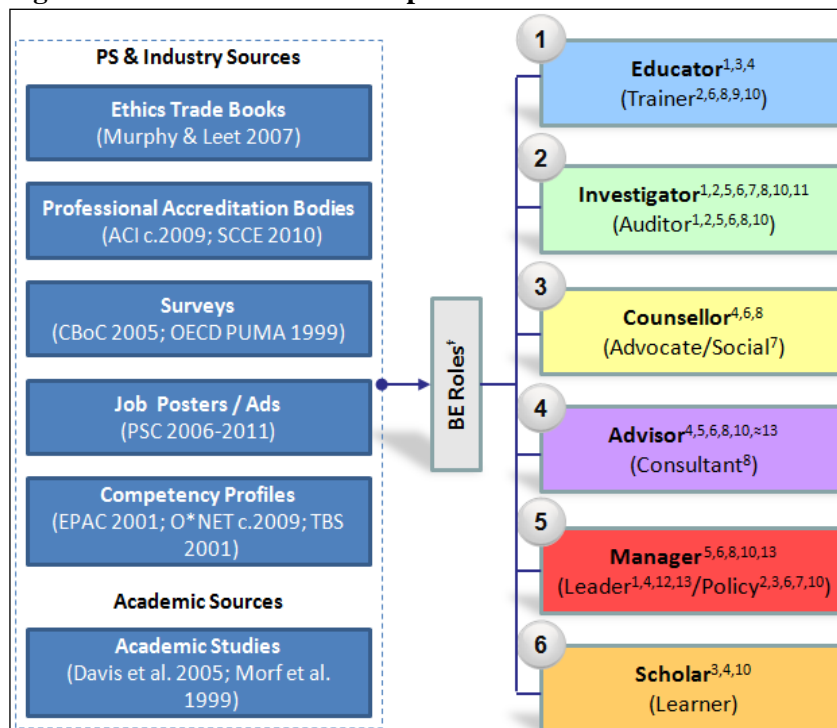
(*Source*: Developed for this research)

Within this study, a role is defined as: 'The patterns of behaviours, involving obligations and duties, which an individual is expected to perform in a given work situation' (PSC 1997, p. 11).

2.3.4.2 BE Competency Architecture

Next, building on the six roles identified, a conceptual model and competency architecture for business ethics, compliance, or integrity practitioners is provided at **Figure 2-13**. The model reflects the six roles generally present to some extent in many of the ethics, compliance, or integrity positions and models reviewed. Knowing what roles a practitioner must accomplish is important as it can help inform the identification of required KSAOs.

Competency layers. Another facet to consider when exploring competencies is *competency layers* (HRSG 2012). Many competency models broadly categorize competencies in groups ranging from two to ten. Three different examples of two-layered architectures are: (1) *strategic* (organizational-level) or *HRM* (personal-level) (Cardy & Selvarajan 2006); (2) *job content* (prepositional or theoretical knowledge, and procedural or practical knowledge) and *contextual* (TBS 1998a, 1998b); and (3) *behavioural* or *technical* (TBS 2006, 2007). Further, three examples of three-layered architectures are: (1) *job specific (JSC)* (non-transferrable beyond a specific job), *general management (GMC)* (transferrable), and *corporate specific (CSC)* (transferrable within a specific organization) (New 1996; Stuart & Lindsay 1997); (2) *managerial*, *technical*, and *professional* (Harison & Boonstra 2009); and (3) *fundamental*, *personal management*, and *teamwork* (CBoC 2000b) skills. Two dozen models were considered from the extant literature, and like many other dimensions within CBM, there is a lack of consensus on the type, number, and composition of layers or broad categories.

However, two underlying principles emerged from the comprehensive analysis, synthesis, and critical evaluation of these models. First, most if not all models include some form of generic, universal, or *core competencies* (Astorga 2002; CEB CLC 2003; Crosthwaite 2010; Harison & Boonstra 2009; HRSG 2012; ISO/IEC 2005; Janjua et al. 2012; New 1996; PSC 1997; Stuart & Lindsay 1997; Stuart, Thompson & Harrison 1995) broadly applicable and generalizable to many different jobs, professions, industries, organizations, and so forth. Further, most if not all models also contain context-specific competencies. The second relevant principle is that the weighting or mix of generic *core competencies*—a significant proportion (Crosthwaite 2010; Garavan & McGuire 2001), and *contextual competencies* for any given role may vary but that a rough approximation for the ratio is 70 percent generic and 30 percent specific (Stuart, Thompson & Harrison 1995). This implies that any conceptually developed competency model may require tailoring to an organization's specific context for at least a quarter of the competencies.

Figure 2-13: Business ethics (BE) competency architecture
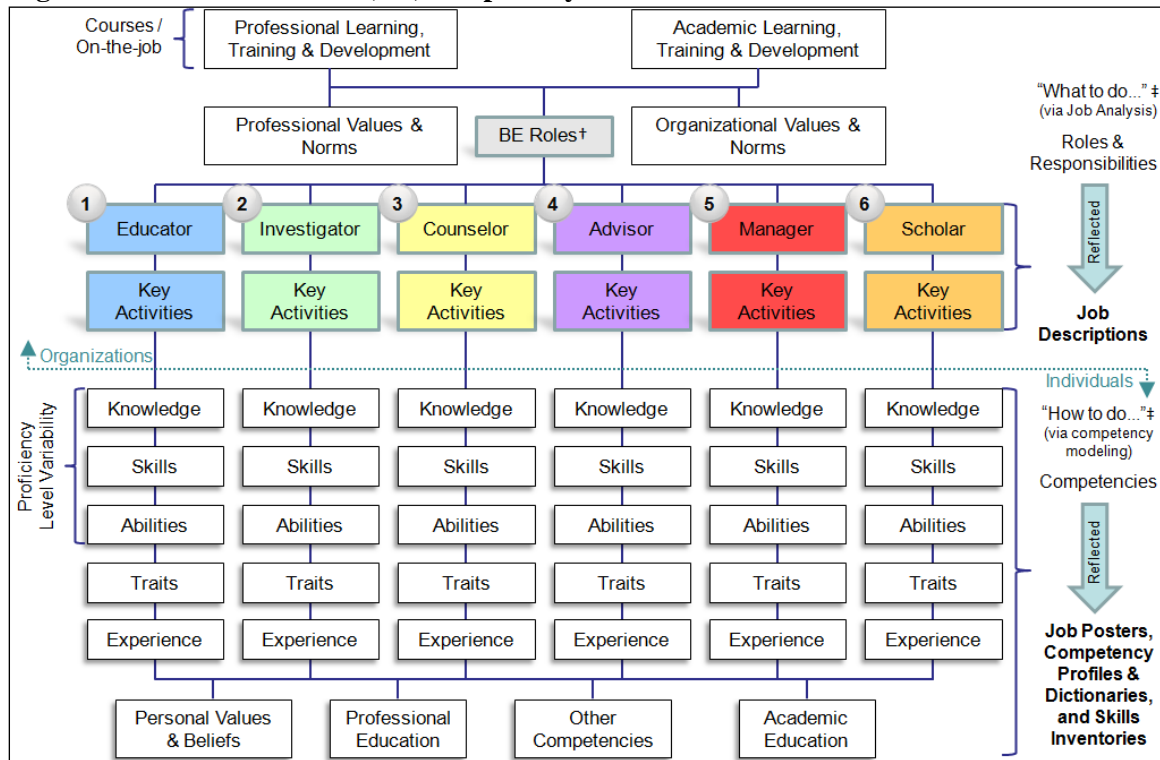
(*Adapted from*: Davis et al. 2005, p. 206)

Roles and associated key activities or tasks are traditionally identified through job analysis previously defined. Above the centre line in **Figure 2-13** is an *organization-centric* view that delineates the sphere of job analysis and focus on "what" a practitioner must do in a specific role as typically reflected in job descriptions. Other organization-centric elements above the centre line include professional or academic learning, training and development, as well as professional or organizational values and norms that are outside the scope of this study.

In contrast, elements below the centre line represent a *person-centric* view that delineates the sphere of competency modelling and focus on "how" a practitioner must do a job as typically reflected in competency profiles, competency dictionaries, job posters or advertisements, and skills inventories. Competencies in terms of knowledge, skills, abilities, and other characteristics (KSAOs) such as traits, experience, personal values and beliefs, and professional or academic education are reflected in the bottom portion of the model. In addition, the construct of proficiency, mastery, or competence level is also included in the model in relation to competencies on the left-hand side. Finally, as competencies cannot be considered in the absence of the roles required of a particular job, this model considers all facets holistically to provide a comprehensive architecture.

Within the boundaries of this study, the construct of *professional learning, training and development* reflected in the top left-hand corner of **Figure 2-13** along with knowledge, skills, abilities, and traits are examined in terms of identifying important BE competencies for inclusion as business ethics training content within an institutionalized BE training program.

2.3.4.3   Related benchmarks

A comprehensive document analysis of over 75 academic and industry texts was performed using frequency counts of KSAOs to construct a *Generic Management Competency Model* for use as a benchmark against the provisional *BE Competency Model* since 70 percent of competencies (Stuart, Thompson & Harrison 1995) may be universal to management or related roles as previously suggested. The text analysed included over 55 non-business ethics competency models (i.e., generic, IT, security, HR, leadership, and management), profiles, dictionaries, standards, and research papers as depicted in **Figure 2-14**. Besides, the *Generic Business Competency Model* may help ensure a more comprehensive and inclusionary *BE Competency Model* by minimizing the potential omission of material but under-emphasized competencies and serve to enrich discussion by allowing comparison and contrasting against the benchmark as described further under Chapter 5. Further, using a competency library—e.g., a generic model based on a comprehensive literature review, is a proposed best practice to competency modelling (cf. Campion et al. 2011, p. 245). The preliminary model contained over 425 competencies and was further refined using a number of filters and screening criteria to arrive at a generic model of 161 KSAOs.

Figure 2-14: Use of other competency models in building the be competency model
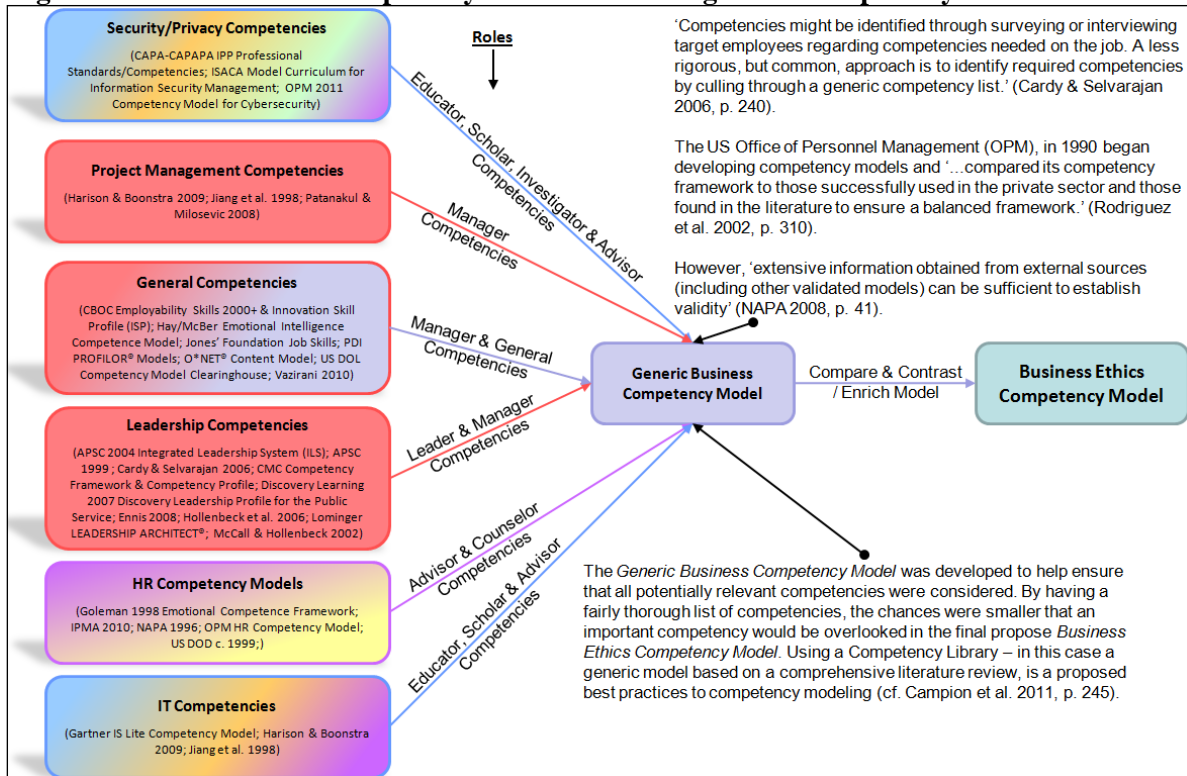
(Source: Developed for this research)

Moreover, seven additional benchmarks were identified from the extant literature. These include two industry (Bar-On EQ-i®; Hay-McBer® ECI™) and two academic (BRICE 2007; Spurgin 2004) *competency assessment models* and three industry competency profiles (CBoC 2006; EPAC 2001, ERC 2007) reflected in **Figure 2-15**. Together, these eight benchmarks served to enrich the discussion, partially validate the provisional *BE Competency Model*, and help build a survey instrument.

Figure 2-15: Generic competency model and BE benchmarks

					Generic & Ethical Benchmark Instruments				
	Generic Competency Model					Competency Assessment†			Profile
Competency	Definition	Count (x/55)	%	Top Ranked Generic*	(Industry) Bar-On EQ-i®	(Industry) Hay-McBer® ECI™	(Academia) Spurgin 2004	(Academia) BRICE 2007	(Industry) EPAC profile
KNOWLEDGE		3	5%				✓	✓	A.
General Knowledge		6	11%						
Terminology	Knowledge of business ethics	2	4%				✓		A.1.a)
Business Ethics Issues			0%						
Ethical Issues, emergent	Knowledge of emergent busine|	2	4%						
Communications Skills		40	73%	#1		✓			
Oral Communications	Able to express ideas clearly sions -	33	60%	#5					≈ B.6.a)
Interpersonal Competencies		34	62%	#4	✓	✓		✓	
Collaborative	Able to cooperate and interacurage participation - e.g., participat	33	60%	#5		✓			≈ B.5.a) B.7.b)
Empathetic	Able to be sensitive to others'	18	33%	#18	✓	✓			C.f)
161	COUNTS			29	9	16	16	10	53

(*Source*: Developed for this research; cropped/extract only)

As depicted in **Figure 2-15**, under the knowledge category a marked gap is the lack of attention to emergent ethical issues which was found in only 2 of 55 generic models (4%) and only two of the seven other benchmarks. The emphasis on *environmental scanning*, discussed under the next parent theory on risk management, is used to address this perceived gap. A second example relating to the trait of empathy appears in eight of 55 generic models (33%) as well as four of the other business ethics, compliance, or integrity benchmarks. Finally, the last row of **Figure 2-15** includes a count on the total number of competencies included in a benchmark. For instance, Spurgin (2004) academic assessment model include 16 competencies while the BRICE (2007) paper includes 10 competencies. Finally, the most recent benchmarks are the Conference Board of Canada's (CBoC) Integrity Manager Profile (Ezekiel 2006) and ERC (2007) report. However, in an ever changing and dynamic discipline such as BE, the relevance of competency models must be regularly maintained.

Competency profiles require regular and periodic refreshing as disciplines evolve over time. As the relative importance of KSAOs are prone to shift or evolve over time (Hollenbeck et al. 2006) for any given discipline, and since an inaugural profile of Ethics Practitioners (cf. EPAC 2001) was introduced over a decade ago when the business ethics field was still very much in its infancy, it is fitting to revisit the perceptions of ethics, compliance, and integrity practitioners to determine a contemporary BE competency model. The same surge in growth and interest in leadership development which led to many rapid changes in theories, philosophies, techniques, usage, and so forth followed the emergence of the 'management' profession nearly three quarters of a century ago (Lundberg 1972). In today's rapidly changing environment, the only constant is change. A view echoed forty years ago by Lundberg (1972, p. 12) who stated that 'change [i]s the only real state for systems with living components' and that the 'content of formal development programs should therefore reflect change.' Analogously, government policies and instruments are frequently revised or sunset and replaced after several years (e.g., five) given the rapidly changing business environment—the same should hold for competency models and profiles to ensure their continued relevance. Frederickson and Martin (2009) suggest that training plans should be refreshed every 3-5 years. Finally, according to Silzer (Hollenbeck et al. 2006), because many jobs continue to change rapidly, HR collateral such as job descriptions are prone to quickly become out-dated if too much specificity is provided.

2.4 Risk Management (RM) Parent Theory

Turning from the parent theory of competency-based learning, this section focuses on the parent theory of risk management (RM) and on risk assessment in particular.

Academics and practitioners perceive differently the importance of various BE issues due to risk management. Risk management and ethics programs are related and both functions should work together (Dienhart 2010; Head 2005; Saner 2010). An ethics-training program is one way to sensitize employees to ethical issues or risks affecting organizational values (KPMG/PMN 1999, p. 5). Identifying and assessing emergent and current issues and risks affecting organizations are two methods to ensure business ethics training is tailored to address trends and that training programs remain effective, current, and relevant (DII 2010; Lermack 2003; Schultz 2011). A key complaint of many business ethics practitioners and academics alike pertains to the 'knowing-doing' gap (Pellet 2007; Sims 2002; Weisman 2007), or an apparent disconnect between what academia teaches and what industry needs. For example, Pamental (1991, p. 391) states that '...the vast majority of cases in the business ethics course have to do with issues which the vast majority of students will never encounter.' Over thirty-five different sources included a call for change and more relevance in business ethics education and the need for emerging *risk identification* and *risk assessment* models. This divergent view of what is considered important training content amongst academia and industry suggests a key research issue—the need to explore the extent to which any potential misalignment exists in terms of training content or specific knowledge (and more broadly KSAOs) to be imparted, and which facets are over- or under-emphasized when considering practitioner needs. This research issue is therefore re-iterated as:

> RI3: *How do perceptions of important KSAOs differ between business ethics industry practitioners and academics?*

One reason behind this misalignment potentially lies in industry's reliance on risk management to identify risk areas to help focus management's attention on the most pressing issues and risks. Therefore, risk assessment is a critical element in creating and maintaining an effective business ethics program (DII 2010) – see **Figure 2-16** highlighting risk assessment in the larger context of an effective ethics program.

Figure 2-16: Criticality of risk assessment to BE

(*Source*: DII 2010, p. 3. Reproduced with permission.)

According to the Defense Industry Initiative (DII), a non-profit association of 85 defence and security companies in the US military sector, after identifying the organization's values, the next element of an effective ethics program is to '**conduct a comprehensive risk assessment**... [**to identify**] **risk areas** [**that**] **may call for training** for all employees or for select groups of employees in specific risk areas' (DII 2010, p. 3) such as ethics practitioners. Additionally, risk assessment is 'one [of the] most commonly used [analyses methods] by decision makers in programs and organizations' (Alberts & Dorofee 2009, p. 26) when conducting planning. Since risk assessment is a familiar method for business stakeholders, this section on risk management theory represents primarily a practitioner's view of identifying important competencies and re-introduces a previous research issue, namely:

RI1: *What core set of KSAOs are important to business ethics practitioners?*

Likewise, this practitioner's view is supported by Saner (2010, p. 22) who states:

Looking at ethics from a risk perspective is attractive to many people because it renders ethics fairly tangible and practical. It also opens the door to using standards risk methodologies in an ethics context.

Having shown the relevance of risk management to ethics training, this section also identified two research issues (RI) against which data will be collected, analysed, and interpreted in Chapters 3 to 5 respectively, to address the research problem stated as:

What competencies are important for job performance to business ethics practitioners in industry and how do their perceptions compare with those of academia?

Extended current risk management frameworks. As a certified risk management practitioner and executive with over fifteen years of experience assessing risks, the lead researcher hopes to extend frameworks and models that can facilitate *identification*, *evaluation*, and *communication* of current and emergent business ethics risks and issues. In turn, risks and issues identified, analysed, and prioritized with these extended frameworks can then be used to instil or reinforce knowledge for ethics practitioners and be included as content within an organizational ethics training program.

Figure 2-17: Research problem theory - BE competencies applied to ethics training content
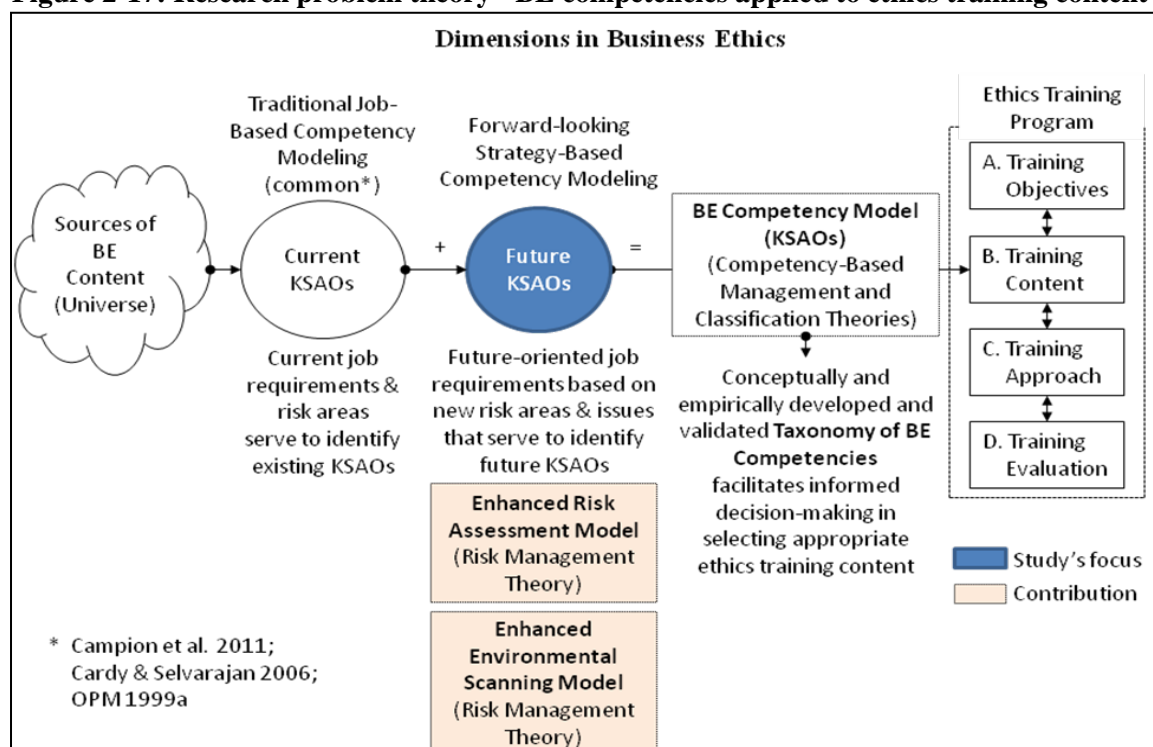
(*Source*: Developed for this research)

Figure 2-17 depicts a simple model to identify business ethics competencies for ethics practitioners to help inform relevant selection of ethics training content.

Identifying BE competencies. Approaches to competency identification include risk-related methods and information as shown in **Table 2-8**. For example, using a traditional PEST environmental scanning framework or the enhanced STEEP LEDGES framework developed for this study, organizations can look towards future competencies by identifying emergent risks (unknown knowledge) that is under-emphasized in current ethics training programs. Other methods to identify emergent risks (future competencies) include leveraging

intelligence services from emergent risk forecasters or conducting a survey or focus group of subject matter experts. Similarly, conducting risk assessment using any number of traditional frameworks or the extended LIP model developed for this study, organizations look at present data (known issues and risks) to identify the highest risk areas that should be emphasized in current ethics training programs. Finally, over-emphasized KSAOs can be identified using actuarial data (past incidents of ethical lapses or anonymously reported issues) or via surveys or document (content) analysis methods, as leveraged in this research study.

Table 2-8: Risk management and other methods to identify business ethics competencies

Issue Awareness	Competencies (KSAOs)		Risk Information
	Knowledge	**Skills, Abilities & Traits**	
	Strategy-based Competency Identification Framework		
Under-Emphasized	(1) Literature review/intelligence gathering; (2) **Environmental scans**; (3) Survey/focus group of practitioners and SMEs; (4) Mainstream cartoons/comics;	(1) Scenario Planning; (2) Strategic Foresight; (3) Anticipatory Management; (4) Same methods at left;	**Future**
	Job-based Competency Identification Framework		
Emphasized	…(1) Same methods as above; Plus the following that emphasize current issues: (2) Document (Content) Analysis; (3) Mainstream media/news; (4) Industry benchmarking; (5) **Risk Assessment**;	(1) Same methods at left; Plus the following that emphasize current skills, abilities & traits: (2) Industry Providers of Competency Modeling; (3) Governments; (4) Others;	**Present**
Over-Emphasized	(1) Document (Content) Analysis; (2) Literature review; (3) Survey/focus group of practitioners and SMEs		**Past**

(*Source*: Developed for this research)

Although many 'Ethics and Compliance [practitioners have] been doing risk management as part of their regular duties for quite some time' (Dienhart 2010, p. 5) and have the requisite skills in risk management, not all of them do. Those responsible for carrying out risk management must be competent in identifying, evaluating, and communicating risks. They 'must have the necessary abilities, and training and education must be provided if specific competencies need to be developed' (Hill 2001, p. 12).

Finally, this framework (**Table 2-8**) can serve as a tool to remind business ethics practitioners to balance and tailor ethics training content by ensuring regular and timely inclusion of emergent (under-emphasized) issues and removal of germane (over-emphasized) issues. This balanced view on emergent and current issues and risks is crucial to ensure ethics training relevance and effectiveness as '[m]anagers tend to focus on risks that are most recent and

familiar to them as opposed to looking for new, over the-horizon risks' (CEB CELC 2010, p. 7). Moreover, the 'day-to-day pressures, including media attention and concerns from constituents, will tend to drive agencies to focus on known, existing risks' (Fernandez & Graham 2010, p. 20). Omitting emergent issues or focusing on out-dated or irrelevant issues can be detrimental to organizations. In ethics, new issues and risks emerge frequently given the many environmental drivers of change affecting businesses. Finally, Sherwood, Clark and Lynas (2005, p. 452), touching on all three aspects of risk—past, current, and future, state:

> ...the **past** is not necessarily a good predictor of the future, since **new threats** are emerging all the time, and the relative importance of **existing threats** is in a continual state of flux... New threats can emerge at any time and are difficult to predict. If you rely upon historical data only, you will never predict them. – Emphasis added

Extending risk management frameworks requires a substantive literature review. To extend current risk management and risk assessment frameworks, an extensive literature review of international (Australia, Canada, Netherlands, New Zealand, Switzerland, UK, US) publications was conducted and is summarized in **Table 2-9** by type and sector (academic vs. industry) given the study's focus on comparing perceptions of important business ethics competencies between industry and academia.

Table 2-9: Risk management (RM) body of knowledge (BoK) literature review summary

Document Type	Description	Academic	Industry Public	Industry Private	Industry Non-Profit	Total	Sample References
Meta-Analysis	Analysis comparing and contrasting other works		1	3	1	5	Hill 2001; CEB IREC 2011; Fisher 2008; Henry 2010; Saner 2005
Authoritative	Influential, highly referenced or cited, or *de facto* guide; topical or process experts		1	2	3	6	AS/NZS 2004; COSO 2004; Sherwood, Clark & Lynas 2005; ISACA 2009; ISO 2009
Material	Relevant for the study	6	12	23	11	52	CSEC/RCMP 2007; Locklear 2011; NIST 2002; Rotta 2010; Scholtz 2010a; Saner 2010;
Innovative	Includes novel or innovative ideas	2	3	23	6	34	CEB/RISC 2010; CBoC 2010; IRGC 2005, 2010
Sundries	Miscellaneous or not fully accessible (fee-based access)	36				38	Represents a minimum number reviewed
					Count	135+	

(*Source*: Developed for this research)

In **Table 2-9**, documents reviewed were assigned a unique type depending on whether or not they introduced novel ideas (innovative), stemmed from a generally recognized (authoritative) source or were often quoted or referenced within the BoK, or provided a comparative analysis (meta-analysis). The categories are not mutually exclusive therefore judgement was required to assess the primary affinity of each document.

Although shorter than for some other studies (e.g., KPMG/PMN conducted a study in 1999 for the Canadian government which included a study sample of 228 relevant publications to identify risk management best practices in the private and public sectors internationally), the literature review conducted on the RM BoK for this study should be sufficiently thorough and broad to demonstrate knowledge and mastery of this domain, particularly when taken in conjunction with the researcher's experience and professional certifications in RM.

Finally, this review is not meant to be an exhaustive treatment of risk management. Given the richness of the RM BoK in terms of breadth and depth, this section will noticeably rely on many tables and figures to convey large amounts of information without delving into details that can be found in any number of risk management texts. Having defined the goals of this section and provided an overview of the RM BoK reviewed, the following five sections are presented: First, an introduction to risk management and associated frameworks (Section 2.4.1). Second, risk exploration (Section 2.4.2), followed by risk assessment (Section 2.4.3) and risk expression (Section 2.4.4). Finally, a summary and identified risks and issues (Section 2.4.5) is presented.

2.4.1 Risk Management and Associated Frameworks

To contextualize further discussion in this section an elegantly concise risk model from a globally recognized industry thought-leader is leveraged. Gartner's Risk EAE Model (Scholtz 2010)—depicted in **Figure 2-18**, is a three-step process to explore, assess, and express risk. Despite the availability of many different risk management models, the majority blend the responsibilities of both *risk assessors* (e.g., ethics officials (EO)) and *decision-makers* (e.g., management) into the same framework. For instance, the four-step PricewaterhouseCoopers (PwC) enterprise risk management (ERM) framework (2007, p. 26) includes identification of emergent risks (step 1) and assessment of risks (step 2)—responsibilities of risk assessors, and determining risk responses (step 3) and monitoring risks (step 4)—responsibilities of management, into the same model. The focus of this paper is on identifying essential competencies of business ethics practitioners, not management in general therefore the Gartner EAE model is most suitable for the objectives of this study.

Figure 2-18: Gartner's EAE model to explore, assess, and express risk
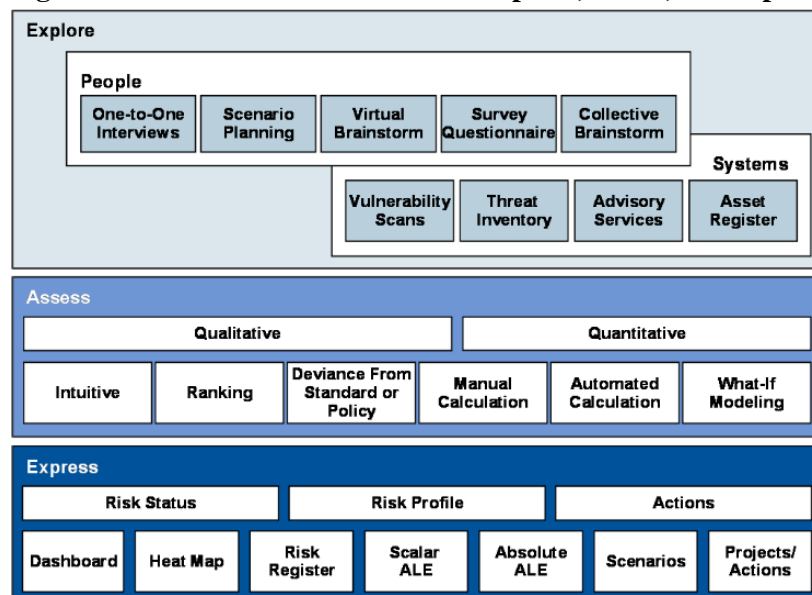
(*Source*: Scholtz 2010, p. 6. Reproduced with permission.)

A pragmatic and intuitive risk model frames further discussion. The high level Gartner Risk EAE model is self-explanatory but essentially involves as an initial step, *exploring* or identifying risks by leveraging people through focus groups, surveys, Delphi techniques, interviews and so forth as well as systems which, from a business ethics perspective, could potentially include human resources systems for tracking all forms of paid and unpaid leave such as vacation and sick days and other systems such as time tracking systems. As shown later in **Figure 2-20** which embeds a version of the Gartner EAE model adapted for this study, a third category of processes is added to account for such activities as environmental scanning. In the field of information security for instance, it is quite common to see reference to the triad of people, process, and technology (systems). The absence of process is a marked gap as supported by a recent survey of 460 executives familiar or responsible for enterprise risk management (ERM) from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which states that 44.4% of respondents indicated there was no process or only minimal processes for identifying and tracking emerging risks (Frigo & Anderson 2011, p. 5). The second step of the Gartner Risk EAE model involves *assessing* or analysing risk through either qualitative or quantitative means. A third option also depicted in the adapted version in **Figure 2-20** is a semi-quantitative approach. Risk assessment will be discussed more substantively in an upcoming section. Finally, the third step of the Gartner Risk EAE model involves *expressing* or communicating risk to decision-makers.

Risk management involves two distinct roles. At a high level, 'Risk management is the process of identifying risk, assessing risk and taking steps to reduce risk to an acceptable level' (Stevens & Byrnes 2008, p. 3). However, this end-to-end process involves two distinct types of stakeholders as noted above. The first being *risk assessors* charged with exploring, assessing, and expressing risk to the second group of stakeholders, *decision-makers* (management) accountable for owning and treating or accepting risks based on their risk appetite. Simply stated, '[e]ffective risk management systems simply move relevant information from the "informed" to the empowered (senior management) in a timely manner' (CEB CELC 2010, p. 11). Another example that stresses this divide between assessors and decision-makers is the following quote by Blakley (2009, p. 3): 'If you're talking about risk and there are no decision makers in the audience, you're wasting your time.'

Once identified, evaluated and communicated by ethics practitioners, management is responsible for effectively allocating scarce organizational resources towards addressing ethical issues and risks and monitoring the outcomes of risk mitigation. Ownership and accountability for risk mitigation belongs with the business lines and units (CEB IREC 2006; PwC 2009) and business process owners (Scholtz 2010), however a common misconception and pitfall persists in this field—that those charged with identifying risks are also accountable for their mitigation and monitoring. Arguably, this creates an untenable situation and potential conflict of interest. This is analogous to holding auditors personally accountable to resolve and monitor every deficiency identified. Highlighting this misperception, Scholtz (2010, p. 2) states:

> The term "risk manager" is a misnomer. Risk managers usually fulfil more of an advisory function rather than being directly responsible for making the risk management decisions... The asset, project or process owner should make the risk management decisions, based on the information provided by the risk manager.

Segregation of duties is therefore a desirable state in the field of risk management and a further rationale for choosing the Gartner model that noticeably allows this distinction.

Business ethics and risk management are intrinsically linked. Business ethics practitioners, in an advisory capacity and as part of their duties, and similar to other specialized fields or disciplines such as information security and human resources (in support functions), should be responsible for *exploring*, *assessing*, and *expressing* current and emerging issues and risks to senior management (in line functions) to help them make risk-informed decisions. In fact, many functional specialists play an active role in risk management (KPMG/PMN 1999) although the involvement of Ethics and Compliance

(E&C) Officials in enterprise risk management (ERM) is crucial to its success since these practitioners have extensive cross-functional experience and have been practicing risk management activities as part of their regular duties for some time (Deinhart 2010). Further, according to Deinhart (2010, p. 3) the E&C function is undervalued, and organizations 'that fully utilize the Ethics and Compliance function in risk assessment and management can gain a competitive advantage'. Besides, 'risk management is increasingly becoming a key competence' (Scholtz 2010, p. 1).

Having briefly presented the high-level Gartner Risk EAE model used to contextualize the remaining parts of this section on risk management, two parallels are drawn from other disciplines that can be readily mapped to the Gartner Risk EAE model to illustrate the link between risk management and knowledge identification leading to competency-based learning. The first parallel involves a common performance measurement framework while the second stems from the field of education and involves an authoritative reference.

Parallel between risk model and a *de facto* performance measurement logic model. One way to map the EAE model to show its relevance to competency-based learning is through use of a traditional logic model depicting the causal or logical relationships between inputs, process, outputs, and outcomes of a given initiative (TBS 2010) as shown in **Figure 2-19**.

Figure 2-19: Risk management logic model and its link to competency-based learning
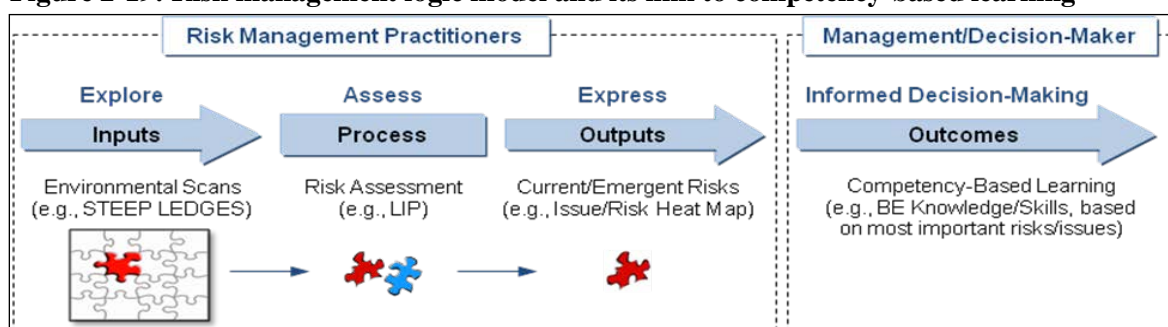
(*Adapted from*: CSPS 2008; Evans 2005; Scholtz 2010; TBS 2010)

In this logic model, the first step involves business ethics practitioners, as part of their duties, employing various inputs such as methods, practices, processes, or techniques and related skills to scour or *explore* the external macro-environment as well as the internal organizational environment to identify a list of both current and emergent business ethics risks and issues. Any number of methods could be used such as a SWOT (Strength, Weaknesses, Opportunities, and Threats) analysis method or a more elaborate environmental scanning framework such as STEEP LEDGES developed for this study. Second, the long list

of current and emergent BE risks and issues (metaphorically representing a large puzzle box picture) identified as part of the inputs would be fed into the <u>process</u> of *risk assessment* to analyse and evaluate the likelihood, impact, and any other relevant dimension. There is a vast array of traditional risk assessment options for practitioners to leverage, such as ISO 31000 that applies to most contexts, or practitioner can should an enhanced framework such as LIP developed for this study. Once complete, this process would yield a much smaller list of <u>outputs</u> (individual puzzle pieces), evaluated and prioritized as higher risk relative to other risks and issues. This shorter list would then be *expressed* in an appropriate manner for management to make informed decisions. Possible means of communicating these high risks and issues includes a traditional risk heat map or an enhanced risk and issues heat map, developed for this study. Finally, the list of identified, assessed, and prioritized organization-specific current and emergent high risks and issues (knowledge) could then be used as specific training content to ensure that the competencies of ethics practitioners and others remain current as ethical issues change over time. Having described the first parallel with the performance measurement logic model, the second parallel is now explored.

Parallel between risk model and a *de facto* standard in education. Finally, another parallel can be applied, perhaps more familiar to stakeholder with a background in education. Bloom's taxonomy of educational objectives involves the lower level process of comprehension and knowledge (e.g., emerging and current business ethics risks and issues) which map to *exploring* in the Risk EAE model. Next is the analysis level that equates to the *assessment* stage of the Gartner model. Finally, synthesis and evaluation levels would approximately map to the *expressing* stage of the Risk EAE model, after having identified a potentially huge puzzle picture of business ethics risks and issues, then applied thoughtful risk assessment to ultimately arrive at a prioritized short list of high risk and issues that would be reflected in a heat map for management's attention and subsequent decision-making. Having described the Gartner Risk EAE model that frames the remainder of this section on risk management, and corresponding models from other disciplines, extended models applicable to the risk management body of knowledge are discussed next.

2.4.1.1   Extended models applicable to the RM body of knowledge

In addition to identifying pertinent research issues, this section extends various frameworks that serve to identify, assess, and express current and emergent risks and issues which may then be included within institutionalized business ethics training programs as *knowledge*

content for BE practitioners and others. **Figure 2-20** depicts extended models provided by this study, mapped against an adapted Gartner Risk EAE Model introduced above.

Figure 2-20: Adapted Gartner Risk EAE model and extended RM models
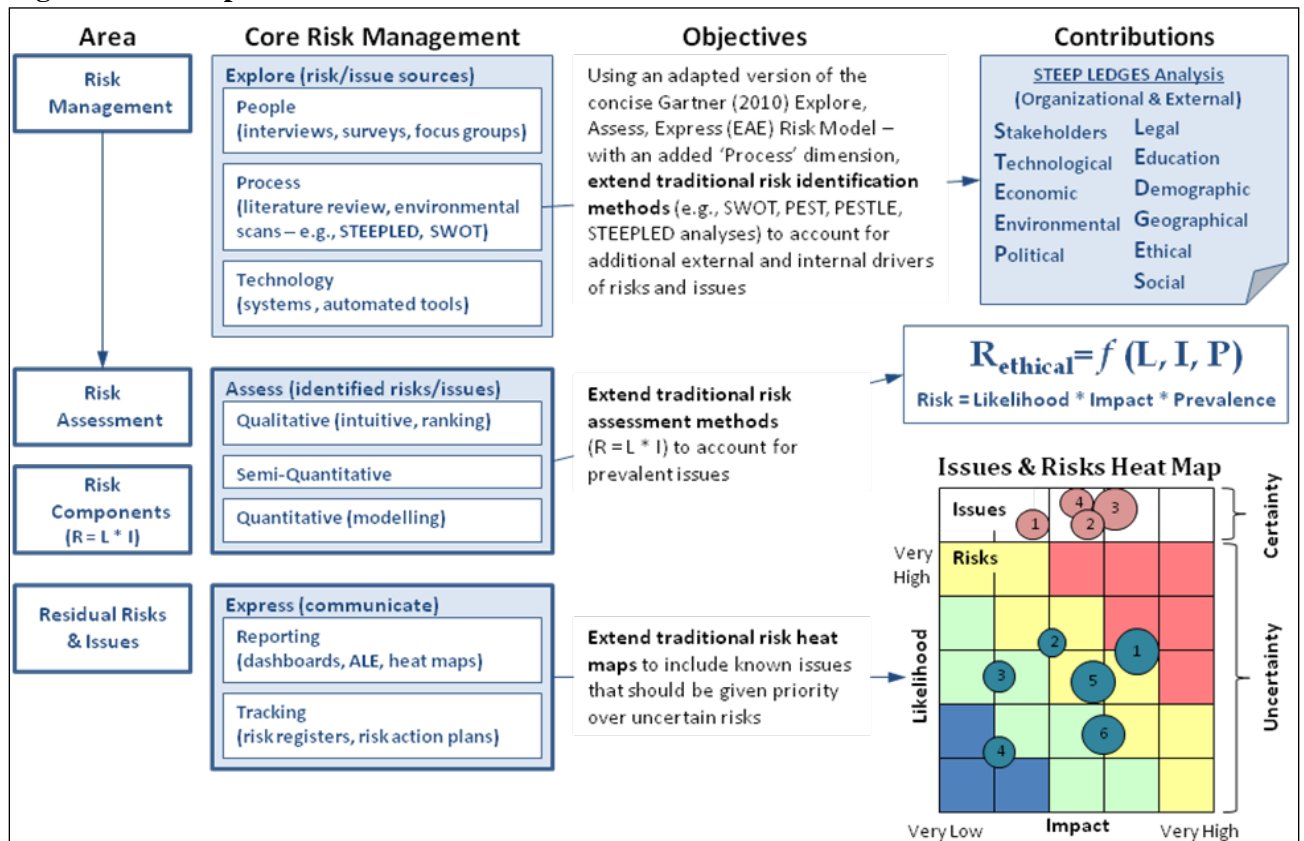
(*Source*: Developed for this research)

The first extension lays in defining the STEEP LEDGES environmental scanning framework that can be leveraged as a process to *explore* and identify both current and emergent risks and issues. Traditional environmental scanning frameworks such as PEST or PESTLE are limited and there is a paucity of research on emerging risks (Locklear 2011). STEEP LEDGES extends these frameworks to account for additional external drivers of risk and issues not typically or systematically considered. Further, this mnemonic is particularly relevant to the field of business ethics and ethical dilemmas that often deal with grey areas and conflicting values that could potentially lead people into deep chasms if they make wrong choices or fail to choose the higher ground. The second advancement can be used to *assess* risks and issues and rests in the extension of traditional risk assessment frameworks by adding a third relevant factor to the typical two-factor risk equation. The mnemonic 'LIP' is used by adding *prevalence* to likelihood and impact. The third extension can be used to uniquely *express* risk and issues by portraying not only risks as in traditional heat maps, but also more importantly

including known issues that are arguably more noteworthy of attention as they are currently materialized risks.

2.4.1.2   Risk Management Concepts and Terminology

Following principles of enterprise architecture, and having *contextualized* the risk management parent theory by demonstrated two distinct roles of risk management and the strong linkages between risk management and ethics, introduced the Gartner Risk EAE model which frames further discussion, and briefly introduced extended models, this section seeks to further *conceptualize* risk management.

As a fundamental business practice and developing discipline, risk management is marked with inconsistent terminology and use. Risk management (RM) is a fundamental component and staple function of business that should permeate organizational culture (Saner 2005; TBS 2011) and all planning (CEB/RISC 2010) and decision-making (Hill 2001; KPMG/PMN 1999; Sherwood, Clark & Lynas 2005). What is more, RM is an established yet 'relatively immature and underdeveloped' (Beasley, Branson & Hancock 2010, p. 8) discipline, marked with the regular emergence of new concepts (Saner 2005, pp. 1, 26) and is therefore still developing rapidly internationally within many sectors (ISO 2009), industries, and disciplines. However, despite the terms risk or risk management being used universally (Kloman 1990) in a broad variety of contexts, there is little standardization or consensus on either terms or methods (Alberts & Dorofee 2009).

For this reason, most risk management authorities agree on the need for a consistent approach to risk management to facilitate common reporting and communications to business stakeholders and decision-makers on material risks–a major challenge in itself. The Gartner Group supports this view stating: 'Organizations should seek consistency in approaches and terminology with other risk management areas to promote cross-functional communications and to support senior management desire for cumulative risk evaluation' (Scholtz 2010a, p. 7). Likewise, Sherwood, Clark and Lynas (2005, p. 436) also echo this lack for consistency:

> *The definition of operational risk can be somewhat elusive. There are some specific definitions available... but there is no standardised precise definition that has broad applicability across different industry sectors.*

Moreover, terminological inconsistency is aptly summarized by Saner (2005, p. 2): 'I do not know of a single debate that is more hampered by semantic confusion than that on risk management.' The 'key to a successful discussion on risk management is the careful handling

of terminology' (Saner 2005, p. 1). The Corporate Executive Board (CEB) suggests that how companies define risk can include 'everything but the kitchen sink' (CEB IEC 2005, p. 5). Finally, since risk management is an international discipline, linguistics and culture compound terminology challenges, an issue identified by the International Organization for Standardization (ISO 2009, p. 5):

> *The English term "likelihood" does not have a direct equivalent is some languages; instead, the equivalent of the term "probability" is often used. However, in English, "probability" is often narrowly interpreted as a mathematical term. Therefore, in risk management terminology, "likelihood" is used with the intent that it should have the same broad interpretation as the term "probability" has in many languages other than English.*

Definitions used in this study. Although familiar to many in one form or another because risk permeates all aspects of life, risk is a complex concept that is surprisingly difficult to assess (Sherwood, Clark & Lynas 2005). For this study, the following definitions apply:

> _Risk_ – 'the uncertainty, real or perceived, that surrounds future events and outcomes that have a potential to influence, positively or negatively, the achievement of an organization's objectives' (PWGSC 2009b, p. 14).
>
> _Issue_ – 'a known [risk] ...already [being experienced in the present;] there is no uncertainty as to "if" it could occur in the future' (PWGSC 2009b, p. 14).

The distinction between risks and issues is important to this study as will be shown under the section on Risk Expression that introduces an enhanced issues and risks heat map to communicate risk information to senior decision-makers.

2.4.1.3   Risk Management and Assessment Frameworks

Risk management and risk assessment frameworks are plentiful (Henry 2010) and quite diverse in their scope (Saner 2005), focus, level of detail, and so forth (Cramm 2011b). It has been said that the number and '...variety of risk management methodologies is potentially unlimited...' (CSE/RCMP 2007, p. A2-2). **Table 2-10**, outlines some varied risk management and assessment frameworks from selected disciplines that may partially explain the lack of terminological and process consistency. Moreover, the broad diversity of frameworks may be, at least in part, the cause behind why few organizations adhere to a single methodology—instead choosing to adopt and adapt complementary approaches (Henry 2010; IRGC 2011; Scholtz 2010b) to meet their unique context and needs.

Table 2-10: Sample risk management and risk assessment methods for selected disciplines

№	Discipline	Risk Management Methodologies	Risk Assessment Methodologies
1	Audit	ISACA 2007 ERM Framework	Annual Loss Expectancy (ALE)

№	Discipline	Risk Management Methodologies	Risk Assessment Methodologies
2	Business, General	AIRMIC, ALARM & IRM Risk Management Standard	SWOT; BPEST; PESTLE; STEEPLED; Event Tree Analysis; Dependency Modelling; Real Option Modelling
3	Financial /Accounting	Criteria of Control (CoCo) model	Credit Risk Assessment; FAIR; RAROC; Value At Risk (VAR); ALE
4	IT/Information Security (ITS/IS)	ISO/IEC 27005; ISACA Risk IT; AS/NZS 4360; CRAMM; US NIST SP 800-30; SABSA®	ISO 31010; CRAMM v5; CSEC/RCMP Harmonized Threat and Risk Assessment Methodology (HTRA); SOMAP

(*Adapted from*: AIRMIC, ALARM & IRM 2002, p. 14; Scholtz 2010b, p. 4; Hill 2001, p. 8)

There is a general sense of dissatisfaction with current risk management methods. Few organizations believe they have implemented a successful risk management framework (Beasley, Branson & Hancock 2010; CEB IREC 2011b). Additionally, many 'companies have invested significant resources in risk management but are not uniformly satisfied with the results' (CEB CELC 2010, p. 5). Further, according to Dienhart (2010, p. 3) 'fewer than 40% of CEOs trust their current enterprise risk management'. Finally, risk management as a discipline has either not been formally implemented (Stevens & Byrnes 2008) or has been poorly implemented and is not mature in many organizations (Proctor 2010, p. 2).

Given this general sense of dissatisfaction surrounding the use of risk management frameworks, and since many organizations may not have formally adopted or are considering changing their risk management framework to identify business ethics issues and risks, the lead researcher analysed, synthesized, and critically evaluated information to create a number of aids to compare and contrast risk management and assessment frameworks. Following the analysis of approximately 50 different methodologies, the lead researcher identified 16 key criteria (Cramm 2011b) to provide a pragmatic means for organizations to select a risk management or assessment framework. Finally, having discussed risk management at a contextual and conceptual level, attention is now place on the first element of Gartner's EAE Risk model—exploration.

2.4.2 Risk Exploration (Identification)

Risk exploration is a means for business to scan the external and internal environments to identify current and emergent material risks resulting from drivers of change. Examining risks contextually is a leading practice (Fredericksen & Martin 2009) since every organization is unique. With the advent of so many transformational and major changes in recent history, businesses must constantly exercise due diligence in regards to risk exploration. PricewaterhouseCoopers (PwC 2009, p. 16) supports this view stating:

> In today's ever-changing business environment, organisations must continually update their
> identification techniques and mechanisms in order to refine their analyses of risks, increasing

their ability to predict risk events such that they can create better and faster response mechanisms for dealing with major events.

According to the Corporate Executive Board (CEB), changes in the business environment include 'increased scrutiny on risk management' with a corresponding organizational challenge of 'broadening risk sensing capabilities' to prevent employee misconduct (CEB/IREC 2009, p. 5). Moreover, Hill (2001, p. 6) states that 'good risk management...requires an ongoing effort to scan the environment for emerging and changing risk conditions.' Failing to keep abreast with changes and assess their impacts is risky, as organizational environments seldom remain static for any significant period.

Risk exploration requires specific competencies. Unfortunately, risk exploration in many organizations is seldom conducted with any level of rigour, consistency, or regularity given a myriad number of reasons ranging from a lack of dedicated resources to a lack of espoused competencies or formally adopted methods (cf. EFSA 2012, p.18; PwC 2009, p.26). In a survey of 460 executives familiar or responsible for enterprise risk management (ERM), the Committee of Sponsoring Organizations of the Treadway Commission (COSO) indicated that 50.3% of respondents found that there was either none or only a minimal set of key risk indicators for tracking emerging risks and further, that 44.4% of respondents indicated there was no process or only minimal processes for identifying and tracking emerging risks (Beasley, Branson & Hancock 2010, p. 4). According to Frigo and Anderson (2011, p. 5), 'oftentimes risk management activities are focused on existing operations and compliance risks, as opposed to significant external, emerging or strategic risks.' As suggested above, requisite competency in conducting risk exploration may be lacking. However, being able to conduct risk exploration should be is a required competency for business ethics practitioners. This view is supported by Fernandez and Graham (2010, p. 8) who state:

> *Certain KSA's [(Knowledge, Skills, and Abilities)] seem particularly critical. Employees need analytical skills to examine and evaluate emerging risks and forecast future impacts, as well as knowledge of how loosely coupled systems work in order to see interdependencies and causal connections among factors in the environment.*

Environmental scanning serves to explore risks. Risk exploration may be achieved via any number of means however environmental scanning—sometimes referred to as horizon scanning, long range planning, issue management (IRGC 2010), forward-looking analysis, anticipatory management (Locklear 2011), event simulations, scenario development and analysis (PwC 2009), or foresight activities (IRGC 2010; Locklear 2011), provide a simple yet elegant framework to assist with exploration. However, and similar to other areas of risk

management, consensus on the concept of environmental scanning and its consistent use are lacking (Habegger 2009, p. 5). Environmental scanning is defined as a means to explore novel and unexpected issues, identifying key emerging *issues* and *risks* or uncertainties across various domains that could have significant impact (Singapore Government c. 2004). Regardless of the sector or industry, emerging risks affect all types of organizations, albeit to varying degrees. The next section highlights a few examples of organizations involved in emerging risk exploration within the various sectors.

Organizations in all sectors, industries, and geographic borders are impacted by emergent risks. The governments of Australia, the US, the UK, Singapore, and the Netherlands (Habegger 2009; IRGC 2010) developed horizon scanning frameworks that are 'used to systematically assess ongoing economic, social, cultural, environmental, health, scientific, technological, and political trends' (Fernandez & Graham 2010, p. 5).

Likewise, private sector organizations have also developed their own environmental scanning models such as the Swiss Reinsurance Company which 'developed SONAR (Systematic Observations of Notions Associated with Risk) to continuously detect and track initial risk indicators that might potentially impact the insurance industry' (Fernandez & Graham 2010, p. 5). A major Swiss financial services company developed a Stakeholder Expectation Assessment Process to assess emerging issues' importance to help ensure that the company identifies important emerging CSR issues with the highest potential relevance to the organization in terms of risk or opportunity. The company is then able to take appropriate action such as developing policies or instrument and so forth (CEB 2007a). The management consulting firm PricewaterhouseCoopers has also developed a framework to embed emergent risk identification into an expanded model of traditional enterprise risk management (PwC 2009). The Corporate Executive Board (CEB) Risk Integration Strategy Council (RISC) issues regular *Emerging Risk Report and Monitor* or *Updates* that identify the top 10 emerging risks facing organizations (cf. CEB RISC 2011). Also, the UK Outsights, a strategic futures consultancy, helps clients to anticipate, interpret and act upon important developments in the external world (cf. Arkin 2007).

Organizations in the non-profit sector such as the World Economic Forum (WEF 2011) and the International Risk Governance Council (IRGC 2010) are also involved in the discipline of exploring emergent risks. The Conference Board of Canada (CBoC), through 40 private and public sector organizations, developed top 10 lists of recommendations for strengthening

ethical cultures in organizations because of the global financial crisis. Key amongst these recommendations linking the fields of business ethics and risk management was to 'have the management team identify ethical risk hot spots for the organization' (Bassett 2009, p. 2).

Additionally, <u>academic sector</u> organizations such as the US National Academies and the Wharton Risk Management and Decision Processes Center (Wharton 2006) also explore emerging risks. Finally, others including <u>international organizations</u> such as the OECD (2003) have devoted attention to this growing discipline given its rising importance towards better strategic planning, enterprise risk management, and in some extreme cases, the very survival of organizations (PwC 2009).

Environmental scanning is important for planning and other purposes. Having defined environmental scanning and shown a few examples of how different sectors are involved in exploring emerging risks, this section introduces some factors behind the importance of conducting environmental scanning. First, organizations that tend to be more resistant to risk are those that continuously scan the environment for changes that could negatively or positively affect the achievement of their strategy and objectives (PwC 2009). Next, according to some sources, the number of emerging risks is so large that societies, and by extension organizations cannot possible address them all, making risk identification and prioritization key challenges for practitioners and an essential activity for better agenda-setting (IRGC 2010), planning, risk-informed decision-making, and resource allocation (Dienhart 2010; KPMG/PMN 1999), or policy development (CEB 2007b). Further, risk exploration provides organizations with a means of protecting value (PwC 2009). Finally, failing to account for emerging risks can be catastrophic. Historically, less attention was paid to emerging risks as they were perceived as unlikely to occur or isolated and distant events, but recent occurrences of many disasters have begun to raise the profile of emerging risks in the eyes of the business community (PwC 2009). For instance, according to the Standard & Poor's (2007, p. 2):

> *A solid risk-management program must consider risks that do not currently exist or are not currently recognized, but that might emerge following changes in the environment. For these risks, normal risk identification and monitoring will not work because the frequency and impact is usually completely unknown.*

The next sections provides a high-level overview of a few *de facto* frameworks for understanding the macro environment and introduces STEEP LEDGES, an enhanced framework that can be used to gauge the effects of external macro-environmental

(exogenous) drivers and influences on organizations as well as organizational meso-environmental drivers. Starting with an introduction of SWOT analysis, PEST analysis and its evolutionary improvements are then briefly introduced before presenting the STEEP LEDGES framework, an extended model developed in this study applicable to the risk management body of knowledge (RM BoK).

SWOT analysis framework for both external and internal environmental scanning. As a *de facto* standard in business circles, SWOT analysis—created in the 1960s, is extensively used to explore an organization's internal Strengths and Weaknesses and external Opportunities and Threats. However, this model is overly simplistic and provides limited guidance. Besides, its focus on both external and internal factors may dilute results of any analysis given its limited pragmatic guidance.

PEST analysis framework and its historical evolution. PEST analysis provides a framework for understanding the external macro-environment (UK Cabinet Office 2004) and is used by organizational strategists and risk management practitioners to scan the horizon for <u>P</u>olitical, <u>E</u>conomic, <u>S</u>ocial (or Socio-Cultural), and <u>T</u>echnological drivers of change or influences on an organization that have had (historically – i.e., actuarial data), presently have (current *issues*), or could potentially have (emergent *risks*) a material impact and either inhibit or facilitate the achievement of organizational objectives. Therefore, PEST analysis is an ideal framework for identifying both issues and risks facing organizations—and as such, *contextual knowledge* about external circumstances (TBS 1998a). Also, the proficient use of environmental scanning methods and processes and the subject matter knowledge concerning their concepts and principles constitutes *job content knowledge* (TBS 1998a) required of practitioners. Further, PEST can be used in conjunction with SWOT analysis as a more specific means of exploring external Opportunities and Threats. The PEST model is therefore 'used to inform and guide further analysis' (UK Cabinet Office 2004, p. 1) and decision-making and is particularly relevant and important to explore emergent risks (Malabar 2009).

Building on PEST analysis, organizations have separated out <u>L</u>egal factors from political ones due to several important changes including the 'increasing legal influences outside of national political systems' (UK Cabinet Office 2004, p. 1) such as international or regional trade legislation, regulations, or agreements. Moreover, an increased acknowledgement of the importance of <u>E</u>nvironmental factors has led to its explicit inclusion as a unique factor leading to PESTLE or PESTEL analysis that has gained popularity in the UK (CIPD c. 2009;

UK Cabinet Office 2004). The PESTLE model has been further extended and the mnemonic rearranged to STEEPLED analysis, adding Ethics and Demographic factors given increased recognition of their importance. Finally, the model has been further extended to include Geographical (local, national, and global) relevance and renamed LoNGPESTEL, though its prevalence may not be as high as with its predecessor.

As with previous extensions, new drivers are deemed self-contained and relevant enough to warrant their own attention. For instance, in marketing and other circles the term *glocal* is used to reflect global thinking but acting locally which tends to validate the importance of geography as a driver. Moreover, some extensions involve "new" factors stemming from existing ones but their importance is deemed pertinent enough to warrant their own unique attention. For instance, demographic and ethical drivers were originally part of the social driver, and the legal driver was originally part of the political driver in the original PEST framework. As will be shown under the discussion of STEEP LEDGES, a further extension of the framework to include Educational and Stakeholder drivers is also warranted.

According to PricewaterhouseCoopers, organizations must continuous look to improve their risk management programs, including risk exploration. They state (PwC 2009, p. 25):

> *To improve their risk resilience, organisations are challenged to revisit, innovate, and refine as necessary each element of their risk management programme to ensure that: Potentially relevant emerging risks are identified and analysed systematically.*

Finally, the power and charm of the models presented above rest in their simplicity and ease of use. Keeping these two attributes in mind, STEEP LEDGES was developed to enhance existing environmental scanning frameworks to account for two additional factors particularly relevant to the field of business ethics. Note that the applicability of the STEEP LEDGES model developed for this study is not limited exclusively to business ethics.

2.4.2.1 STEEP LEDGES Analysis

As one of several inputs to the field of risk management, the STEEP LEDGES environmental scanning framework depicted in **Figure 2-21** can be leveraged as a process to *explore* and identify both current and emergent risks and issues. Although historically useful, traditional environmental scanning frameworks such as SWOT, PEST and PESTLE provide limited use, particularly in today's highly complex, rapidly evolving, and distributed environment. For instance, the Conference Board of Canada state that '[f]orces such as globalization and technological change often require integrity managers to deal with issues that have few or no

precedents' (Ezekiel 2006, p. 28). STEEP LEDGES extends the most comprehensive
framework to date —LoNGPESTEL, to account for two additional external drivers of risk
and issues not typically or systematically considered.

Figure 2-21: STEEP LEDGES framework of macro-environmental (exogenous) drivers

Stakeholders	Technological	Economic	Environmental	Political	
• Investors	• Science/innovation	• Unemployment	• Ecological	• Govt. policy	
• Customers	• Automation	• Disposable income	• Climate/weather	• Democratisation	
• Partners	• ICT	• Interest rates	• Natural hazards	• Privatisation	
• Competitors	• Materials/process	• Financial stability	• Sustainability	• Int'l Relations	
• Suppliers	• Speed of change	• Cost of living	• Pollution/waste	• Political parties	
• Public	• Obsolescence rate	• Market conditions	• Energy consumption	• Taxation	
Legal	Ethical	Demographic	Geographical	Education	Social
• Legislation/laws	• Values/ethics	• Diversity/ethnicity	• Globalization	• Competencies	• Culture
• Regulations	• Moral standing	• Generational/age	• Virtualization	• Mobility/brain drain	• Consumerism
• Contracts	• CSR	• Behavioural	• International	• Knowledge econ.	• Social class/status
• Agreements	• Ethics regime	• Lifestyles	• National	• Education levels	• Attitude/beliefs
• AMPs/sanctions	(rules vs.	• Views	• Regional	• Power	• Health
• Regulatory bodies	principles)		• Local	• Compensation	• Protocols, rituals

(*Source*: Developed for this research)

First, organizations are greatly affected by many different <u>Stakeholders</u>, a fact emphasized in
business ethics with the development of *Stakeholder Theory* attributed to R. Edward
Freeman. This theory of organizational management and business ethics involves aspirational
objectives, addresses morals and values in managing an organization, and touches on issues
of Corporate Social Responsibility (CSR) that aims to ensure corporate citizenship,
sustainable responsible business, and voluntary responsibility for an organization's actions
towards its various stakeholders. According to the Corporate Executive Board (CEB 2007, p.
8), 'recent changes in the stakeholder environment make predicting and responding to
stakeholders' expectations yet more challenging'. These changes include increased
transparency, more empowered stakeholders, elevated stakeholder expectations that are
changing faster than in the past, and accelerated, near instantaneous information (CEB 2007)
flows to name a few. Further, CSR has gained significant momentum in recent years, to the
point where the International Organization for Standardization (ISO) issued ISO 26000 on
Social Responsibility in 2010 to provide (ISO 2011, p. 1):

> *harmonized, globally relevant guidance for private and public sector organizations of all types
> based on international consensus among expert representatives of the main stakeholder groups,
> and so encourage the implementation of best practice in social responsibility worldwide.*

Moreover, CSR encourages a positive impact on the environment, consumers, employees,
communities, the public, and other stakeholders. In contrast, Milton Friedman's *Stockholder*

Theory holds that there is one and only one social responsibility of business – to use its resources to engage in activities designed to increase its profits so long as it engages in open and free competition without deception or fraud. Other ethical issues involving the Stakeholder driver are social reporting, social accountability, and social performance.

The second extension includes Education. Arguably, the educational driver could be considered part of the democratic driver as with former models, however in this day and age marked with the growing importance of the services industry and a knowledge-based economy, doing so is precarious. Changes in the overall educational level of the workforce along with social drivers, economic drivers, and other changes may lead to talent risks (CEB RISC 2011) such as job disillusionment or dissatisfaction and increased mobility, 'brain drain', 'talent raids' from competitors, and increased dependency on key knowledge workers. The trend of increased educational levels in the workforce may lead to issues such as reduced employer and employee loyalty (career polygamy vs. monogamy), reduced job or career stability, intellectual property debates, and more people with greater understanding and access to information. Other education-related issues may include post-employment measures, staffing practices (hiring, forming, and retaining talent), and information asymmetry.

Finally, as new business ethics issues and risks arise due to social, political, economic, technological, or other external environmental changes, an organization's preventive, detective, or corrective controls may be absent or existing controls ineffectual to address organizational risks associated with nascent risks and current issues and may require new or enhanced controls. It is particularly important for organizations to explore risks since many of these may represent material risk to organizations if left unchecked by extant organizational controls.

Four recommendations surrounding risk exploration. Finally, before moving to the next section on risk assessment that leverages the list of issues and risks identified during this exploration phase as an input, four recommendations are provided. First, the new STEEP LEDGES framework, along with its predecessors all require some amount of judgement and subjectivity which may lead to some level of disagreement on the actual driver headings, their constituent descriptors or parts, and on where a particular issue or risk may originate from. It is important to consider that many current issues and emerging risks may originate, quite likely, from a combination or the interaction amongst two or more drivers since there

are linkages between the various drivers, some more marked or prominent then others. What matters most for decision makers is that current issues and emergent risks—through a rigorous and systematic exploration, are identified so that they can be fed into the risk assessment process for further consideration.

Second, risk identification (and assessment) frameworks and processes must be continually updated or refined to increase an organization's abilities to better predict (PwC 2009), detect, analyse, and communicate risks to decision-makers. It is hoped that the mnemonic chosen for the augmented environmental scanning framework is particularly relevant to the field of business ethics and ethical dilemmas that often deal with grey areas and conflicting values that could potentially lead people into deep chasms if they make wrong choices or fail to choose the higher ground. Organizations should consider adopting the STEEP LEDGES framework developed for this study to help explore current and emergent issues and risks pertaining to their unique circumstances and environments.

Third, organizations should ensure that they have sufficient resources with the requisite competencies (KSAOs) to perform environmental scanning to identify emerging risks (Ezekiel 2006; PwC 2009). This includes knowledge of various drivers of change (e.g., technological, social, political), various models or frameworks (e.g., PEST, SWOT, STEEP LEDGES), and more importantly, the ability to reliably carry out systematic and thoughtful environmental scanning using one or more of these frameworks to ultimately enable objective and economically principled risk-informed decision-making by management.

Finally, to complement the external drivers of change that may introduce business ethics risks and issues to an organization, *organizational (endogenous) drivers* must also be considered such as: organizational objectives, culture, policies and instruments, management styles, delegations of authority and power, control regime, enforcement mechanisms, complexity, adaptability, and so forth (Cramm 2011a). These and other factors may be considered in SWOT analysis as part of an organization's strength and weaknesses. Opportunities and threats would be considered using the STEEP LEDGES framework.

2.4.3 Risk Assessment (Analysis or Evaluation)

Having discussed the importance of exploring both current issues and emergent risks and proposed an extended environmental scanning framework in the form of STEEP LEDGES, this section examines *risk assessment* which must be regularly (USSC 2011) and consistently

carried out on the list of issues and risks identified under the risk exploration phase. Further, as previously suggested, risk management processes—especially risk assessment, can serve to better inform *competency* (e.g., knowledge) selection for *institutionalized business ethics training program content*; a view shared by Fredericksen and Martin (2009, p. 5) who state:

> ***Information gained during an ethics and compliance risk assessment process is commonly used to modify an organization's training program***. *When determining how to use the information gained from a compliance risk assessment to revise the organization's compliance program, your organization should strongly consider modifying its three-to-five year training plan.*

In addition, according to Proctor (2010, p. 3), 'risk assessment is the cornerstone of good risk management and creates the foundation organizations need to prioritize their risks'. Further, Cohen (2004, p. 15) states: '…to make sensible risk management decisions about mitigation and risk, it is necessary to have an analytical framework.' However, *risk assessment is a necessary but insufficient condition for good risk management*. Stevens and Byrnes (2008, p. 9) state: 'Risk assessments on their own are insufficient as mechanisms to manage risk. They need to be incorporated into a wider risk management program...', one that considers risk exploration, expression, as well as management's role of risk mitigation and monitoring. Finally, a risk assessment framework 'guides assessment and prioritization of issues for report inclusion, thereby focusing messaging on the most critical issues' (CEB 2007, p. 37).

This section proposes an augmented framework for conducting risk assessment that is suitable for analysing high likelihood/low impact events that are often neglected by traditional risk assessment frameworks. Moreover, the impact on organizations for many emergent risks in business ethics is amplified by their pervasive presence or frequent occurrence. When considered as isolated events using traditional risk assessment methods, high likelihood/low impact events often do not register as significant and consequently these events are typically not given further consideration by decision-makers. This need for a broader risk assessment framework to address the aggregated impact of pervasive emergent risks or *high likelihood/low impact* events is echoed by PwC (2009, p. 17) who state:

> *Assessing emerging risks requires a broader evaluation of such risks, considering the larger scale of impact and the interconnectedness of risks that typically have not yet manifested. As for any risk assessment, the assessment of emerging risks requires involvement of the requisite subject matter experts and use of a consistent risk rating methodology.*

Further, the CEB (2012, p. 1) also emphasize placing added emphasis on impact, stating:

> *Progressive ERM practitioners…brainstorm "emerging risks" by removing the idea of likelihood from the conversation and only focusing on the potential impact. The best companies use non-traditional tools like scenario planning [, environmental scanning] and "black-swan hunts" to challenge key business assumptions and identify new risks.*

Terminological inconsistency pervades risk assessment. Although, principles of risk management and assessment are 'time-tested and universal' (Alberts & Dorofee 2009, p. 8), depending on the context and framework considered, synonymous or complementary terms for risk assessment are used and include *risk analysis* (ISACA 2009; ISO 2009; PSEPC 2004) or *risk evaluation* (AIRMIC, ALARM & IRM 2002; Sherwood, Clark & Lynas 2005; Stevens & Byrnes 2008). As shown in other areas of risk management, terminological consistency is fleeting, however most if not all risk assessment models, with minor variations, equate risk (R) to being a function of impact (I) and likelihood (L) as follows (Henry 2010; Hill 2001):

$$R = I * L \quad \text{(e.g., ARMS, CRAMM, ISO 31000, IRMF, Risk IT, SOMAP)}$$

This observation is striking when comparing and contrasting risk management models (Cramm 2011b). A view also expressed by Saner (2005, p. 26) in describing international risk management standards from Canada, Australia, New Zealand, the US, and the UK: 'Vocabularies differ more than one would expect in a technical discipline but the underlying logic models of different frameworks do not differ substantially.' Moreover, some more technical risk assessment models introduce other concepts such as assets (A), threats (T), and vulnerabilities (V) but these models essentially translate to the simple equation above.

$$R = A_{VAL} * T * V \quad \text{(e.g., CSPS 2007, HTRA, SABSA, SOAS)}$$

For example, with any given risk event, the asset (A_{VAL}) values at risk represents the impact (I) while the probability of an event occurring (P_1) represents the threat (T), and the probability of controls failing (P_2) represent the vulnerability (V). Together, these two probabilities represent likelihood (L). This view is supported by Sherwood, Clark and Lynas (2005, p. 454) who state that the 'likelihood of an event causing a business impact is a product of two separate probabilities: ...the level of the threat... [and] the level of the vulnerability'.

Prima facie, determining the most important risks to address would appear relatively straightforward given the simplicity of the risk equation above. However, risk is inherently subjective (Henry 2001), its assessment is prone to cognitive biases (Bazerman 2008; CEB 2012; Fredericksen & Martin 2009; Locklear 2011; Watkins & Bazerman 2003), and for complex social systems and areas such as business ethics, assessing probabilities with any

degree of scientific rigour is particularly challenging. In fact, risk management has been said to be more an art than a science (Scholtz 2010, p. 1).

Some frameworks allude to a third component of risk. Finally, some frameworks amongst the many models examined (cf. Cramm 2011b) recognize the potential for other components to risk as suggested in the ISO 31000 standard: 'Factors that affect consequences and likelihood should be identified. Risk is analysed by determining consequences and their likelihood, and **other attributes** of the risk' (ISO 2009, p. 18). Fredericksen and Martin (2009) also suggest that ethical risk assessments should go beyond likelihood and impact. Another example hinting to a further component stems from the IRGC (2010, p. 16):

> *When adequate knowledge about an emerging risk exists, a formal risk assessment can be undertaken... But, when critical knowledge about it is missing or unavailable to decision-makers, the risk may be ignored or overlooked, which can allow the risk to become **more likely**, **more widespread**, and/or **more harmful**.* (Emphasis added)

In this last example, the term more 'likely' is self-explanatory, referring to *likelihood* as is more 'harmful' which relates to *impact*. However, more 'widespread' relates to the concept of *prevalence* that this study posits as a third component to traditional risk assessment. A third example that ties the concept of *prevalence* to the previous topic of risk exploration also stems from the IRGC (2010, p. 18) who state:

> *Although obesity is not new, it was only rare during most of human history. Its increasing **prevalence** now can be seen as the result of **economic** and **social** dynamics... other social changes, notably changes in **education levels**, have the capacity to attenuate risks ...[through] people having greater understanding ...about what constitutes a healthy diet and lifestyle...*

Other frameworks and authors suggest additional attributes to risk—many of which appear to be related, however these are only briefly referenced and undefined within the various texts. These attributes include: *Frequency* (ANSI/ISA 2010; TBS 2001b), *velocity* (Barney 2011; CEB RISC 2011), *imminence* (EFSA 2012), *aggregation* (Cohen 2004; Henry 2010; ISO/IEC 2008; PSEPC 2004), *concentrations* (IRGC 2010), *accumulations* (IRGC 2010; ISO 2009), *pervasiveness* (IRGC 2010), *prevalence* (IRGC 2010), *risk interdependencies* (ISACA 2009; ISO 2009), *interconnectedness* (PwC 2009), *compound effect* (OECD 2003), *correlations* (PwC 2009), *knock-on effect* (ISO 2009), or *cascading effects* (Bonabeau 2007; ISO 2009) to name a few.

Time is another, hidden dimension to risk assessment frameworks. Finally, after careful assessment and evaluation of dozens of risk assessment frameworks (cf. Cramm 2011b), there is an inherent dimension that is seldom mentioned. This dimension relates to the

treatment of time and can be expressed in one of two fashions. First, most risk assessment frameworks inherently adopt a specific point-in-time approach, analogous to a camera snapshot. The second fashion involves treating time over a specified period or range as in the case of the Corporate Executive Board's Emerging Risk Updates (cf. CEB RISC 2011) which look at *velocity*. A very rapid velocity means that an impact would be evident within a month whereas rapid or slow velocities mean that impact would be evident within a quarter or year, respectively (CEB RISC 2011). Time is a factor because existing controls may become obsolete or otherwise deficient and the human ability to adapt (Bonabeau 2007) and find work-around, loopholes, or gaps is very strong. Another example that considers risks over a specified period is the Annual Loss Expectancy (ALE) model (Gordon & Loeb 2006). In this model, frequency of events, whether occurring daily, once a year, or every 10 years for instance, is annualized to derive expected loss in a given year.

A simple typology of risk assessment frameworks. Leveraging *classification theory* (shown in Figure 2-1) and following a thorough analysis, synthesis and evaluation of dozens of frameworks (cf. Cramm 2011b), a simple typology of risk assessment (RM) frameworks was developed for this study base on two dimensions reflected in **Table 2-11**.

Table 2-11: Simple typology of risk assessment frameworks

		Treatment of Time	
		Point-in-time / Snapshot	Range / Specified period
# Components	Three[+] (e.g., prevalence)	**Enhanced** ③ (e.g., LIP – this study)	**N/A** ⑥
	Two (e.g., likelihood)	**Traditional** ② (e.g., ISO 31000, COSO ERM)	**Temporal** ⑤ (e.g., CEB RISC; ALE)
	One (e.g., impact)	**Simplistic** ① (e.g., OCTAVE)	**N/A** ④

(*Source*: Developed for this research)

First, the *number of components* within a model, with the majority of models including two components (likelihood and impact), and second the *treatment of time*. **Table 2-11** also provides a few examples of popular frameworks and highlights the area where the enhanced "LIP" risk assessment model development for this study provides additional input.

The vast majority of risk assessment models fall within cell № 2 of 'traditional' frameworks consisting of two components—impact and likelihood. As shown later, the OCTAVE framework only considers impact and therefore populates cell № 1 of more 'simplistic'

models. Although the Corporate Executive Board's Emerging Risk model includes *velocity* in addition to *impact* and *likelihood*, this third component relates more to the treatment of time as does the Annual Loss Expectancy (ALE) model that populates cell № 5 of 'temporal' frameworks. Of the dozens of models examined, none fell within cells № 4 or 6, therefore these greyed out cells are reflected as being not applicable ("N/A"). Finally, extension of traditional models to include *prevalence* in the LIP model developed for this study populates cell № 3 of 'enhanced' models. Having briefly introduced a typology of risk assessment frameworks, the next section considers components of risk in more detail.

2.4.3.1   Components of Risk Assessment

This section examines three components of risk, namely *impact*, *likelihood*, and *prevalence*. Traditional risk assessment methodologies include the first two components as depicted in **Figure 2-22**. The third component—*prevalence*, is an augmentation to traditional risk management frameworks to account for issues of aggregation and pervasiveness and constitutes one of the inputs of this study to the field of risk management.

Figure 2-22: Components of risk
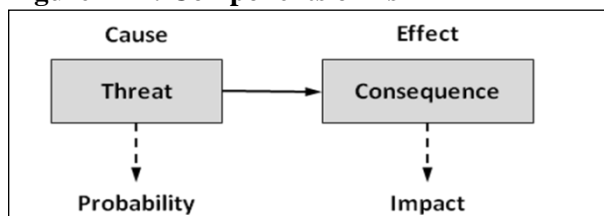
(*Source*: Alberts & Dorofee 2009, p. 7)

2.4.3.1.1   *Impact (consequences)*

Depending on the context and framework considered synonymous terms for impact are often used interchangeably and include: Consequences, loss, damage (SOMAP 2007), injury, harm, criticality (TBS 2001b), severity (ANSI/ISA 2010), gravity, seriousness (COSO 2004) magnitude (Alberts & Dorofee 2009; Saner 2005), outcomes (ISO/IEC 2009), results of a threat occurring (ISACA 2009), or effects.

As with likelihood, quantifying the impact of an event, generally in monetary terms, is notoriously difficult (Henry 2010; PSEPC 2004) because not everything can be easily expressed in financial terms; data may be lacking or be insufficiently reliable (Ministry of the Interior and Kingdom Relations 2008, p. 6), particularly for intangible assets such as reputation, employee morale, and so forth. Moreover, even when considering financial value, little guidance is available on whether impact should measure replacement cost, book value,

perceived value, or acquired value (PSEPC 2004). Part of this challenge is highlighted by

Proctor and Wheatman (2008, p. 3):

> *There is little defensible, empirical data that provides quantifiable risk levels for many of the*
> *threats enterprises face... Focusing solely on quantifiable risk data can lead to initiatives where*
> *more time is spent defending the numbers than addressing issues.*

Next, the second element of a traditional risk assessment model—likelihood, is introduced.

2.4.3.1.2 Likelihood (probability)

The vast majority of risk management frameworks use some form of likelihood in their

calculation of risk (Henry 2010) but the use of terminology and methods is inconsistent

within the risk management field. Because of this inconsistency, guidelines on how to

classify likelihood should be provided to risk managers. The importance of guidelines is

emphasized by Proctor, Hunter and McKibben (2008, pp. 6-7):

> *because perceptions of the meaning and importance of these terms vary from person to person. At*
> *a minimum, enterprises should provide definitions and guidelines about how to classify impacts*
> *and likelihoods in each dimension.*

This section examines five aspects of likelihood. First, the applicability of qualitative over

quantitative risk assessment methods to estimating likelihood is briefly considered. Next,

exceptions to the use of likelihood from traditional models depicted in **Figure 2-22** are

examined. Third, terminological use of likelihood is considered, followed by a brief

discussion on some challenges faced when trying to assess likelihood. Finally, *high*

likelihood/low impact events are considered, as they are particularly relevant to the field of

business ethics.

Applicability of qualitative vs. quantitative risk assessment methods to business ethics.

First, there is a strong misperception that quantitative risk assessment methods are superior to

qualitative methods (Proctor & Wheatman 2008). For many risk domains, qualitative

methods are more likely to yield sufficiently accurate results over more complex quantitative

methods that are based on missing or flawed information or subjective interpretation. For the

field of information security and similarly BE, this point is stated by Scholtz (2010b, p. 4):

> *For some risk assessment activities... it is almost impossible to effectively calculate risk in*
> *financial terms. The **probability of occurrence of most incident types is not measurable***
> ***at all**. It is also difficult, if not impossible, to determine the full impact of any given*
> *incident. ...Multiplying a small, essentially imaginary number (the probability) by a large*
> *imaginary number (the expected cost of incident) results in nothing but a midsize*
> *imaginary loss expectancy.* (Emphasis added)

The use of qualitative methods is therefore potentially more justified for assessing BE (often seen as reputational) risks than quantitative methods as complete and reliable actuarial data is likely not available. Those tasked with risk management must ultimately consider the purpose of this activity – to identify and prioritize key risks for decision-makers. A fact well reflected by Proctor, Hunter and McKibben (2008, p. 7) who state: 'Risk assessment, above all, is a prediction, and there's no point in quantifying a prediction to three decimal places when the variables are numerous and difficult to quantify accurately.'

Exceptions from traditional risk assessment model are rare. Second, most risk assessment models examined for this study include a likelihood component (Cramm 2011b) within the risk evaluation process, with the exception of the Carnegie Mellon University (CMU) Software Engineering Institute (SEI) OCTAVE® method. With OCTAVE, only impact is evaluated since 'probability is a more complex and imprecise variable than is normally found in other risk management domains' (CMU 2001a, p. S7-7) and 'determining a reasonably accurate probability for the outcomes is complex and subject to rapid change' (Alberts & Dorofee 2001, p. I7-1). At the other end of the spectrum is the Ethics Resource Center (ERC) Ethics Risk Index[SM] that only considers likelihood and serves as a 'measure of incidence and reporting' (ERC 2007, p. 14)—it identifies the types of misconduct that pose the greatest risk (ERC 2007, p. 14):

> *[It] **exposes the likelihood** that a particular kind of misconduct is occurring and is going unreported; it **does not address the severity** of each particular kind of misconduct **and its potential impact** on the... organization.* (Emphasis added)

A third exception is the Canadian government *Harmonized Threat and Risk Assessment* (HTRA) methodology (CSE/RCMP 2007) which, contrary to OCTAVE® and the ERC models, looks to add a third component. In addition to considering likelihood of occurrence and severity of outcome (impact), this methodology adds *probability of compromise*. However, the methodology's description of both *likelihood of occurrence* and *probability of compromise* are confounded at times and terms are used interchangeably. For example, 'likelihood of compromise' (CSE/RCMP 2007, p. D-4) appears, mixing both constructs, and another descriptor—"possibility", is further introduced in the statement: '...the possibility that a threat event will actually occur' (CSE/RCMP 2007, p. D-13). Having shown an example of how the consistent use of terminology may not be applied within a particular methodology, the following section speaks to the non-standard use of terminology across the various risk assessment frameworks.

Terminological use is inconsistent within the various frameworks and contexts. Third, depending on the context and framework considered, synonymous terms for likelihood, often used interchangeably include: Probability (ISACA 2009; ISO 2009), possibility (COSO 2004), frequency of occurrence over a period of time (AIRMIC, ALARM & IRM 2002; AS/NZS 2004; CSA 1997; IRGC 2010; ISACA 2009; Sherwood, Clark & Lynas 2005; SOMAP 2007), expectancy (ISACA 2009), possibility, and chance.

When using qualitative risk assessment methods, *likelihood*, expressed as low, medium or high is commonplace. With quantitative risk assessment methods, mathematical *probability* is more common. In addition to the inconsistent use of the terms likelihood and probability, some models use *frequency* to mean likelihood (e.g., ISACA Risk IT model) – as in frequency of occurrence (ISO 2009; Procter 2010). Moreover, some models use all three terms interchangeably (e.g., SOMAP). Finally, despite the prevalent use of likelihood in all risk management models – in one form or another, its calculation is complex (Proctor, Hunter & McKibben 2008; Sherwood, Clark & Lynas 2005) and not without challenges (Henry 2010), some of which are described next.

Measuring likelihood accurately is marred by a number of challenges. Fourth, the risk management literature references a number of key challenges in measuring likelihood that apply to risk assessment models. In order to communicate to decision-makers the level of comfort in an estimate, some references suggest qualifying the estimated likelihood with a *degree of confidence* (ANSI/ISA 2008, 2010; ISO 2009), or in the words of ANSI/ISA (2008, p. 9): '...the probability of the estimate of the probability of loss being accurate'. Another approach to addressing these many challenges, as previously noted and used within the OCTAVE method is to simply avoid calculating likelihood and basing risk decisions on the impact variable alone. Key challenges to measuring likelihood are eightfold, as summarize in **Table 2-12** and described below.

Table 2-12: Selected key challenges in measuring likelihood of risk occurrence

№	Challenge
1	Lack of reliable, consistent, and complete actuarial data
2	Past data is often a bad predictor of future events
3	Level and type of competency required to effectively and efficiently use assessment methods
4	Intelligence gathering is beyond the means of most organizations
5	New, emerging, or rapidly changing risks may not have past events
6	Risk from sophisticated, motivated, capable, or intelligent threat agents is difficult to predict
7	Underestimation due to very low-likelihood and very high-impact (catastrophic, *black swan*) events
8	Underestimation due to very high-likelihood and very low-impact events

(*Source*: Developed for this research)

First, reliable, consistent, and complete actuarial data to calculate mathematical probability in quantitative modelling is often lacking (Heiser 2006; Ministry of the Interior and Kingdom Relations 2008; Proctor & Wheatman 2008; Sherwood, Clark & Lynas 2005). Second, actuarial data (precedents) are often bad proxies or predictors of future likelihood (Lawrence 2004; Sherwood, Clark & Lynas 2005). Third, because risk assessment is inherently subjective (Heiser 2006; Hill 2001; Scholtz 2010b), 'intelligence' (Ministry of the Interior and Kingdom Relations 2008, p. 6) and professional judgement based on experiential knowledge is required yet there is often a misconception about the level and type of requisite competencies (Heiser 2006) to use assessment methodologies. Fourth, intelligence gathering to assist in identifying likelihood is often beyond the means and capacity of most organizations (Sherwood, Clark & Lynas 2005). Fifth, depending on the specific field of risk management (e.g., cyber security, business ethics), identified risks may be new, emerging, or significantly changed with no past events to use as comparison or predictors (Henry 2010; Ministry of the Interior and Kingdom Relations 2008). Sixth, against sophisticated, motivated, capable, or intelligent threat agents with deliberate intentions (Ministry of the Interior and Kingdom Relations 2008) calculations of likelihood may not yield proper results (CMU 2001b; Henry 2010) and may be based on incorrect data or assumptions as these agents will adapt to and circumvent controls to try and go undetected. Seventh, likelihood in extreme or edge cases, coined as catastrophic (endgame) or *black swan* (rare and consequential) events with very low likelihood and very high impact (Henry 2010; PwC 2009; Sherwood, Clark & Lynas 2005) yield an overall low risk score that typically results in much lower prioritization. Eighth, at the other spectrum of extreme cases, events with very high likelihood and very low impacts, when taken in their aggregate (i.e., very pervasive or with a high frequency of occurrence), can represent significant losses (Henry 2010; ISO 2009; ISO/IEC 2008).

High likelihood/low impact risks are of particular relevance to ethical lapses. Finally, high likelihood/low impact edge cases are significant to an organization when occurring frequently. In addition, these risks are often overlooked or simply accepted given the low dollar value (impact) and limited organizational resources typically devoted towards catching "bigger fish to fry". However, in many cases, ethical lapses build insidiously with each successful unethical act, eventually leading to larger and more bold ethical breaches that grace the pages of newspapers worldwide. "Fraud Triangle" theory—the combination of pressure, opportunity, and rationalization (Balassone 2011; Rotta 2010), may serve to address

this behaviour, though this topic is outside the scope of this study. Catching "low hanging fruit" early may provide the added benefit of preventing, or at least reducing future ethical lapses. Therefore, in terms of identifying ethical risk to an organization, particular attention should be paid to *high likelihood/low impact* (repeat) cases.

Many ethical lapses are recurring and widespread and would likely fall within this category of risk or issue. Examples may include frequently missing stationary, materials, and equipment; false claims for overtime when employees may not even be working a full day in the first place (e.g., people who show up early for work but disappear for hours at a time or people who frequently take extra-long breaks and lunches); bureaucratic people hiding behind web-of-rules to avoid doing work or making timely decisions; or people spending an inordinate amount of work-related time to conduct personal business by arranging upcoming vacations or a wedding, conducting stock trades or online shopping, or simply browsing the Internet or being addicted to social media (e.g., *virtual absenteeism*).

By proactively paying attention to *high likelihood/low impact* edge cases, organizations may be able to identify emergent risks sooner, before ethical lapses become widespread and cause significant losses to organizations. For example, technological and social drivers have led to a number of family friendly policies such as teleworking, yet this pro-employee measure can lead to substantive abuse and new ethical issues such as "*remote absenteeism*" (coined by the researcher), if left completely uncontrolled or without sufficient safeguards to minimize abuse. Another area of emergent ethical risk due to technological and social changes, the impact of which are only just started to be known, is the advent of *social media addition* and the significant loss of work-related time and productivity. In these cases, simply having a policy in place is insufficient and would require a number of other complementary controls to minimize potential *prevalent* abuses. These few examples talk to the double-sided nature of technology (Beck 2008; Giddens 1991; Locklear 2011a) and other environmental factors considered in the STEEP LEDGES model.

2.4.3.2 Prevalence

Just as the OCTAVE method posits that calculating likelihood for information security risks is unpragmatic, this study posits that many business ethics risks relate to issues of scale, aggregation, frequency, pervasiveness, or prevalence. However and as previously suggested, the few risk management models that do broach the topic of aggregation or similar construct fail to provide any pragmatic guidance on how to effectively address this issue. Cohen (2004,

p. 1) states: 'Practical analysis of risk aggregation issues is very limited today.' Rather, to address the issue of frequency, most frameworks simply aggregate the occurrence of multiple events into a single event, and rebrand multi-event occurrences with a new name and treat this 'new' risk using traditional risk assessment methods. For instance, multiple occurrences of a single disease become known as a pandemic, outbreak, or epidemic and treated as a single event. However, one of the problems with this approach is to know or determine at what point multiple events escalate into a newly branded single event. In some respects, this approach to regroup multiple events in order to minimize the amount of risk assessments needed may be warranted. In these cases, likelihood of occurrence would be estimated once, and the aggregation of occurrences would be included within the impact component (i.e., multiple numbers of casualties).

Finally, as with other areas of risk management terminological consistency is challenging when discussing the topic of aggregation or frequency. Depending on the particular context, the concept of *frequency* may be more aptly termed pervasiveness, ubiquity, prevalence, preponderance, aggregation, amplitude, enhancing, exposure, or other similar terms. In this study, *prevalence* will be treated synonymously to address these parallel constructs.

Prevalence should be added to traditional risk assessment models. Turning from traditional risk assessment frameworks, a third component of risk is lacking to explain many phenomena occurring in practice today. As a case in point regarding the potential frequency and severity of ethical lapses, a National Government Ethics Survey (ERC 2008, p. ix) states: 'The organizations face the greatest ethics risk because more than 80 percent of employees who observed misconduct witnessed **multiple instances**...' (Emphasis added)

As briefly introduced, the ERC Ethics Risk Index[SM] inherently touches on the concept of frequency. For example, projected risk from misconduct is labelled according to one of three categories. First, severe risks that <u>happen frequently</u> and are usually unreported; second, high risks that <u>happen often</u> and often go unreported, and finally, guarded risks that <u>happen less frequently</u> and may go unreported (ERC 2008, p. 14).

Frequency is a multi-faceted construct. Frequency can be viewed according to several facets that likely accounts for at least some of the variant terms used to broach this concept. **Table 2-13** provides a simple typology of risk aggregation that is based on two dimensions; first the number of risk sources (causes) and second the number of risk events (effects).

Table 2-13: Simple typology of risk aggregation

		Risk Sources (Causes)	
		Single	Multiple
Risk Events (Effects)	Multiple	**Intensity** ② (e.g., outbreak, serial killer)	**Pervasiveness** ④ (e.g., cyber slacking, riot)
	Single	**Traditional** ① (No aggregation)	**Aggregation** ③ (e.g., Run on the bank, swarming)

(Source: Developed for this research)

Cell № 1 does not constitute aggregation and is therefore greyed out. Cell № 2 represents *intensity*, and involves a single risk source causing multiple risks events, either intentionally or not. Cell № 3 represents *aggregation* in terms of having multiple risk causes but only a single effect. Finally, Cell № 4 represents *pervasiveness* in terms of having both multiple risk causes and effects of risk. A few examples from various domains are provided in **Table 2-14**.

Table 2-14: Different facets behind frequency dimension in the risk assessment model

Facet	Risk Source	Risk Event	Sample cases
Intensity	Single	Multiple	
Example 1	One disease	Many casualties	Pandemic, outbreak, epidemic
Example 2	One murderer	Many deaths	Serial (repeat) killer/mass murderer
Aggregation	Multiple	Single	
Example 1	Many people	One withdrawal	Run on the bank
Example 2	Many people	Assault or theft	Swarming, mob
Pervasiveness	Multiple	Multiple	
Example 1	Many employees	Web browsing, etc.	Cyber-slacking
Example 2	Many people	Many different events (fires, vandalism, theft)	Riot

(Source: Developed for this research)

First, a single *intense* source of risk causes many risk events. An example of this case from the health field is a single disease that causes multiple casualties which then becomes known as a pandemic, outbreak, or epidemic. An example from law enforcement would be a single murderer causing multiple deaths over a period who then becomes branded as a *serial killer* or a *mass murderer* who commits many murders all at once. Second, an *aggregate* mob of people may cause a single risk event. An example from the financial sector is a *run on the bank* where a large number of customers are suddenly fear-stricken and rush to withdraw their deposits leading to a bank's potential insolvency. A second example involves a mob of people swarming hapless victims to rob or assault them. Third, *pervasive* risk events occur due to many sources. A first example touching on business ethics involves many employees performing *cyber-slacking*, or the use of an employer's Internet for personal activities during

work hours, which involves many risk events enabled by the use of technology—events such as social media addiction, online shopping, banking, gaming, gambling, and so forth. A second example from the field of law enforcement is a riot which involves many people causing many different forms of risk events (each of which could be treated separately under a traditional risk assessment) such as fires, vandalism, theft, assault, and so forth.

Finally, whereas risk aggregation was historically dismissed or altogether ignored in the vast majority of risk assessment models, recent macro-environmental changes have escalated the importance of this issue. Advance in ICTs (Information and Communication Technology) and their ubiquitous nature have had a marked impact on the propagation—"going viral" of ideas (memes) and social behaviours (e.g., consumerization of technology or "Bring-Your-Own-Devices" (BYOD), and social media) that will likely introduce new, pervasive ethical issues. Organizations must pay heed to this growing issue of aggregation, described next.

Changing trends brought on by social and technological innovations amplify aggregation. Given the increased magnitude of damage caused by sudden, extreme cases of aggregation brought on by socio-technological changes primarily (e.g., social media), organizational controls are often quickly overcome and rendered useless. Therefore, the importance of a *prevalence* factor in calculating risk is paramount today. For instance, within the retail industry, a certain amount of shoplifting is estimated to occur over the course of a year and simply accepted as a cost of doing business given the expenses that would be needed to address this issue more effectively. However, with recent trends such as 'flash robs' involving mobs of people who assemble suddenly to raid a store and perpetrate mass theft, the Annualized Loss Expectancy (ALE) calculated via traditional risk assessment methods may actually be incurred with a single event of flash robbery therefore raising the stakes and potential loss well beyond any currently acceptable risk appetite.

Similarly, before the ubiquitous presence of miniaturized or compact mass storage and multi-media devices such as DVDs, USB tokens, iPods, and so forth, theft of information was generally restricted by the physical medium (e.g., hardcopy) which would have required stealing loads of paper or even older electronic media like backup tapes or old floppy disks. The likelihood of *mass information theft* going undetected was lower because of this physical restriction; however, in today's society mass data loss is likely more prevalent then in the past. A recent and well-publicized case of mass information theft involves the use of CDs labelled as music that contained hundreds of thousands of sensitive diplomatic cables and

other secret documents that were exfiltrated by a junior US soldier and provided to Wikileaks. Social changes have led to most organizations accepting to allow their employees bring in personal multi-media devices such as iPods, smart phones, and tablets often equipped with a digital camera or other means to capture and store sensitive data. Technological innovation has led to the miniaturization and consumerization of such devices that are now ubiquitously available and their presence is simply accepted as part of our social fabric and not even afforded a second thought in many regards.

A third example which has only begun to affect organizations—and whose effects are not fully known at present as the overall levels of adoption are still relatively low within organizations—is the prospective for *social media addiction* leading to a potential massive drop in productivity despite claims to the contrary by proponents of social media who tout better collaboration as a major benefit and gain in productivity. Regardless of its effects on organizations—positive or negative, social media will bring about changes to most organizations due to socio-technological and demographic drivers and the pervasive adoption of this technology by more recent generations.

Having discussed various components of risk including *likelihood* and *impact* encapsulated within traditional two-factor risk assessment models depicted previously in **Figure 2-22**, *prevalence* as described above is added to augment traditional risk assessment creating a Likelihood-Impact-Prevalence, or *LIP model* as show in **Figure 2-23**, described next.

2.4.3.3   LIP Risk Assessment Framework

Following risk exploration using environmental scanning frameworks such as STEEP LEDGES, risk assessment is performed on emerging and current risks and issues. However, instead of using a single risk-scoring matrix or scale as in the case of traditional risk assessments, a second scale is also applied sequentially to account for prevalence. The need for a new risk scale is suggested by PricewaterhouseCoopers (2009, p. 17):

*For emerging risks, a key difference from traditional ERM [Enterprise Risk Management] approaches is that **risk rating scales need to consider** the cross-organisational impact and **potential scale of the risks** as well as interdependencies with other risks.* (Emphasis added)

Figure 2-23 shows that many macro-environmental drivers of change can render a threat more likely, harmful, widespread, or frequent. In turn, one or many sources of risk can lead to one or more consequences depending on the prevalence of risks as previously discussed.

Figure 2-23: Emerging business ethics (BE) risk identification and assessment framework
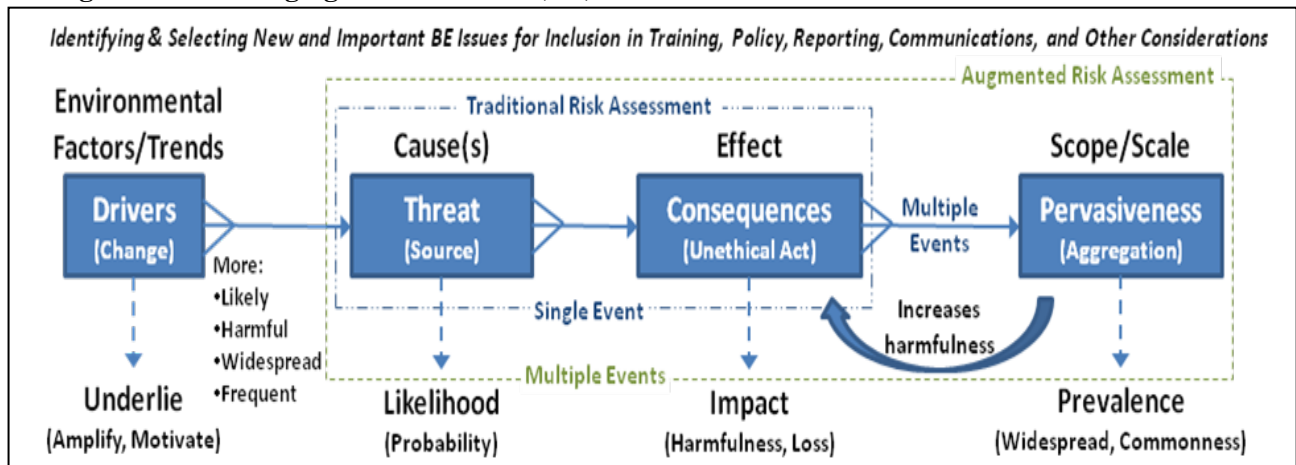
(*Adapted from*: Alberts & Dorofee 2009; CEB/IREC 2006; IRGC 2010)

Using the enhanced risk assessment framework developed for this study, organizations would continue to perform traditional risk assessment as a first step by calculating risk exposure by multiplying *likelihood* with *impact* using a risk-scoring matrix.

As a second step, the resultant initial level of risk (R_1) calculated using traditional risk assessment is then multiplied against an estimated level of *prevalence* to arrive at a final risk exposure (R_2). This second risk-scoring matrix showing initial risk exposure on the y-axis and prevalence on the x-axis is shown in **Figure 2-24**. Once the enhanced risk assessment process is completed for all identified risks and issues, an organization will have a ranked list of important BE issued for inclusion in training curricula or courses, policies or instruments, reporting, communications, or other considerations.

Figure 2-24: Business ethics risk scoring matrix includes *prevalence* (R = LIP)

(*Source*: Developed for this research)

Table 2-15 shows a sample use of this enhanced risk assessment framework.

Table 2-15: Example of business ethics issue and risk assessment method applied

			Extended Risk Assessment Model				
			Traditional Risk Assessment				
			L	I	R₁=L*I	P	R₂=L*I*P
№	Risk Driver(s)	Risk Scenario	Likelihood	Impact	Initial Risk	Prevalence	Final Risk
1	**Socio-Cultural Technological**	Remote Absenteeism	Very high 100% - issue	Very low $192/day	Med.	Medium 10%	Medium

(*Source*: Developed for this research)

2.4.4 Risk Expression (Communicating)

Having addressed the risk exploration and risk assessment phases, risk assessors (e.g., ethics practitioners) are now faced with the challenge of effectively expressing their findings to senior decision-makers. Communicating about risk is inherently tricky and often misunderstood by decision-makers (ANSI/ISA 2010). It requires clear thinking and communications skills (Blakley 2009) by risk assessors, and being able to speak in terms of business terms (CEB IREC 2006; Sherwood, Clark & Lynas 2005). Moreover, 'humans are bad at thinking about risk—so clear communication is doubly important when risk is the topic' (Blakley 2009, p. 5). Finally, a great number of emergent risks are often ill communicated and therefore ignored by decision-makers from further consideration. As an

example of the importance of economically, effectively, and efficiently (E³) communicating risks to stakeholders, a major UK telecommunications company developed a Materiality Assessment Framework to transparently and objectively determine, assess, and prioritize Corporate Social Responsibility (CSR) issues of greatest importance to the organization to rationalize and concentrate messaging content on the most critical issues given the industry trends of increased CSR reporting and increased size of corporate social reports and inversely-related stakeholders' desire for more streamlined and focused publications forcing the informed selection of fewer, more critical issues in social reports (CEB 2007a,b, c).

A common failure to communicate risks involves underestimation. When expressing risks to decision-makers, care must be taken to consider special cases that may lead to underestimation of risk (Henry 2010) and consequently, ignorance of certain risks and issues. These special cases, as with other risk management terms, are not consistently named within the literature. Sherwood, Clark and Lynas (2005) refer to *tail risk*, while others use terms such as *black swan* (PwC 2009), *catastrophic* events (ISACA 2009; Procter, Hunter & McKibben 2008, Wharton 2006), *edge cases* (Henry 2010), or even a more accurate, albeit lengthier description of *low likelihood/ high impact* events or similarly named description (ISACA 2009; ISO 2009; PwC 2009, Wharton 2009), or conversely *high likelihood/low impact* events, *risks of scale* (Cohen 2004), or *aggregation* (Henry 2010; ISO/IEC 2008). These edge cases (zones 1 & 2) are depicted in **Figure 2-25** of a typical heat map. Note that other forms of expression exist such as senior management dashboards, risk registers, and so forth, but leading practices often involve assessing likelihood and impact 'using risk rating scales to generate heat maps' (PwC 2009, p. 17).

Figure 2-25: Heat map and edge cases
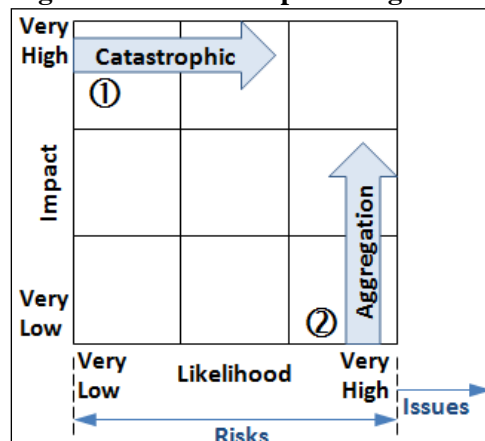
(*Adapted from*: Henry 2010, p. 14)

The risk of underestimation is magnified with quantitative measures, in cases where a likelihood of near zero is multiplied by a significant impact (zone 1) therefore resulting in an overall assessment of very low risk (Procter, Hunter & McKibben 2008) found in the tail end of statistical probability distribution (Sherwood, Clark & Lynas 2005) which is then interpreted as insignificant and typically dropped entirely from further consideration and subsequent risk treatment. The same logic would also apply for very high likelihood but very low impact events (zone 2), often trivialized and treated as acceptable losses or simply the 'cost of doing business'. For qualitative methods, the underestimation may not be as marked as a very low likelihood multiplied by a very high impact could result in a medium level risk, depending on how the risk rating scales are established. With the seeming rise in frequency of global disasters and other catastrophic events (e.g., environmental spills, terrorist attacks, natural hazards), it can be very dangerous to underestimate the consequences of these events (Blakley 2009; Cohen 2004; Henry 2010; Procter, Hunter & McKibben 2008). Similarly, underestimating the 'aggregation of multiple low ...risks may result in much higher overall risk...' (ISO/IEC 2008, p. 17), therefore consideration should be given to communicating risk that, when taken in combination or their aggregate (ISO 2009), could lead to significant losses. Although these edge cases should be considered when expressing risks to decision-makers, little guidance is available on how to effectively deal with these special cases. Besides, most risk management frameworks either entirely skirt the issue, or some provide a cursory mention without delving into potential avenues of resolution, further compounding the issue by leaving practitioners to their own devises. Finally, of these edge cases, *very high likelihood/very low impact* events are arguably less frequently discussed within the risk management body of knowledge.

Potential solutions to deal with edge cases. Within the risk management literature little guidance is available to risk assessors on how to deal with edge cases, however two potential approaches are suggested. The first involves <u>eliminating likelihood</u> from the risk calculation altogether and basing risk assessment on both aspects of impact alone (adverse events and opportunities) through cost-benefit analysis (Procter, Hunter & McKibben 2008, p. 11). Based on earlier discussion, this approach may be helpful depending on the type of risk being assessed (e.g., rapidly changing, emergent) given the inherently subjective or challenging approach to estimating likelihood in the first place. As mentioned previously, the OCTAVE (CMU SEI 2001) framework espouses this approach of focusing on impact exclusively.

The second approach involves <u>re-assessing a very low rating</u> for impact or likelihood, so that its value becomes higher (Henry 2010, p. 14) as depicted by the arrows in zones 1 and 2 of **Figure 2-25**, based on additional factors such as the potential attractiveness of an asset to threat agents (CSE/RCMP 2007; Henry 2010) thereby increasing likelihood of type 1 edge cases, or an increased impact for type 2 edge cases based on the potential for risk aggregation to the point where damage becomes more significant (Henry 2010).

2.4.4.1   Enhanced Issues & Risk Heat Map

Finally, another approach was posited in the previous section on risk assessment which operationalizes the second recommendation by providing a consistent means of re-assessing a very low rating to a higher value by systematically applying a second risk rating scale—**Figure 2-24**, measuring *initial risk exposure* (R_1) on the y-axis and *prevalence* on the x-axis with the lowest level of the each scale eliminated for both axes after applying a traditional risk rating scale to assess *initial risk exposure* (R_1) based on *impact* (x-axis) and *likelihood* (y-axis). Adding a third element to the risk equation—*prevalence,* is one means of trying to address primarily type 2 edge cases of *high likelihood/low impact* events known to be occurring within the organization, and particularly relevant to business ethics risks—e.g., cases of excessive absenteeism or personal web surfing (CSE/RCMP 2007, p. C-7). These 'known risks' are by definition *issues* as reflected in **Figure 2-25** to the extreme right-hand side of the likelihood scale. Leveraging this distinction between issues and risks and other innovative concepts can be used to effectively express risks to decision-makers.

An enhanced heat map expresses new dynamics in a familiar fashion. Using an enhanced heat map can communicate to senior management a distinction in terms of *issues* and *risks* and their prevalence in a relatively familiar format. The challenge for decision-makers and those charged with managing both existing and emerging *risks* is the wise allocation of scarce organizational resources between the two types of risks (Fernandez & Graham 2010, p. 20). Moreover, decision makers must also consider currently experienced *issues* to ensure proper prioritization and a balance towards mitigating current issues and potential risks. This study's third input to the field of risk management is depicted as **Figure 2-26**. Upon closer examination, three approaches or innovations have been synthesized in this heat map.

Figure 2-26: Enhanced issues and risk heat map

Issues merit greater attention and resources (CEB 2007) than risks as they are currently manifested and prone to recidivism.
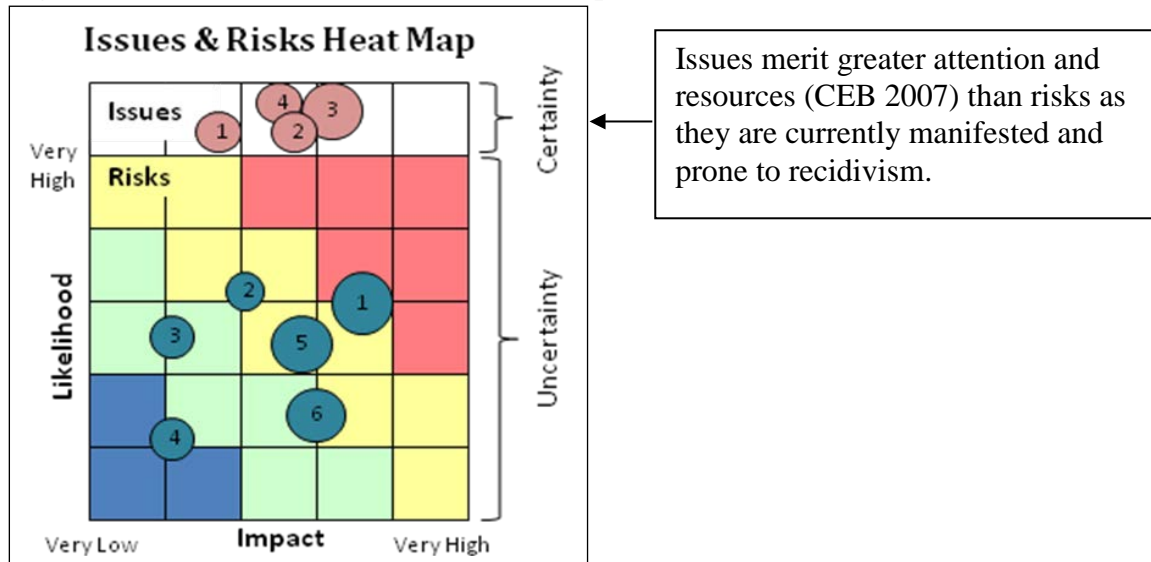
(*Source*: Developed for this research)

The first innovation leverages the definitions for *risks* and *issues* and involves a paradigmatic shift in thinking by separating out *issues* that are currently being experienced with certainty within the organization from *risks* that may or may not materialize (uncertainty). Moreover, some traditional heat maps place likelihood on the x-axis and impact on the y-axis (the inverse of **Figure 2-26**). The second innovative approach involves inverting the order of the axes (if necessary) where issues can then be placed at the top (100% likelihood of occurrence) of the heat map to conceptually reflect a position of higher importance as many people intuitively read from top to bottom as opposed to reading from right to left. If the original order of the axes is maintained as in **Figure 2-25**, having the issues depicted on the right hand side may not carry the same cognitive impact. This approach of inverting the x and y axes is also leveraged by the Corporate Executive Board (CEB) when depicting their top ten emerging risks using factors of likelihood, impact, and velocity (CEB RISC 2011). The inversion of axes is also used in the KPMG (2001) business risk matrix. However, despite these models, several still use the x-axis for likelihood and the y-axis for impact. The goal of separating issues from risks and inverting the axes is to have senior decision-makers focus a significant proportion of the limited organizational resources towards addressing known issues of importance (i.e., higher impact issues) before addressing uncertain risks. As an example, if management had $1M dollars to address all of the issues and risks as depicted in **Figure 2-26**, they may want to allocate the majority, say $800K towards addressing key issues (#3, 2, or 4) and reserving $200K to address the highest risks (#1, 5). Typically, with traditional heat maps, no distinction is made between issues and risks and all resources would

be allocated towards mitigate risks which may account for the recidivism of many known issues within an organization (i.e., due to relative neglect of issues and focus on risks).

The third integrated innovative approach involves adjusting the size of the bubbles on the heat map to reflect the estimated *prevalence* of issues or risks. In the case of issues, larger bubbles are deemed more pervasive than smaller ones and should therefore warrant more attention from decision-makers, *ceteris paribus*. Similarly, for risks, larger bubbles are anticipated to have an aggregation effect if they were to materialize. Some heat maps may already leverage the size of the bubbles to reflect for instance, the anticipated cost of addressing an identified risk. In these circumstances, since decision-makers would already equate bubble size with costs, the background of the bubble could be filled with a different pattern or colour to reflect the third dimension of pervasiveness (e.g., by using a traffic light scheme of red for ubiquitous issues, yellow for frequent issues, and green for sporadic or rare issues). Finally, the concept of using different background patterns or colours is also leveraged by the CEB RISC (2011) to impart the notion of velocity in their likelihood-impact-velocity emerging risk model. Having shown enhancements towards risk exploration, assessment, and expression, the next section briefly delves into the implications of these extended models to business ethics practitioners by identifying a few requisite *competencies* that should be included within an *organizational business ethics training program.*

Implications for practice. Risk exploration and assessment require special competencies. This view is shared by the IRGC (2010, p. 27) who state that 'anticipating emerging risks is a task that requires specific skills and resources.' <u>Resources</u> may include extended frameworks developed for this research to explore emerging risks is in the case of STEEP LEDGES analysis or to assess identified risks and issues as in the case of the LIP extended risk assessment framework. Requisite <u>competencies</u> would include knowledge of methods such as STEEP LEDGES and its espoused drivers of change as well as the skill and ability to conduct thorough, rigorous, and systematic environmental scanning and risk assessment and effectively communicating issues and risks to decision-makers. The importance of acquiring and developing this knowledge and these skills is supported by the Conference Board of Canada who state that some of the 'most urgent professional development priorities' for integrity managers include knowledge and skill requirements for 'monitoring the external environment for developments' relevant to the organization and 'familiarity with modern techniques and frameworks for assessing and managing risk' (Ezekiel 2006, p. 26).

A practitioner's view of competencies was adopted with respect to RM theory and examples of an apparent disconnect between academia and industry practitioners' perceptions of important competencies were introduced. This perspective appears justified since risk management is a practitioner's approach to identifying important issues. Further, according to Barrager and North (2010, p. 23), '...organizations and corporations often learn that the best information is from the people "in the trenches" and not the executive offices or the research community.' Finally, this section helped identify potentially under-emphasized and current competencies—see **Figure 2-27**, that have been incorporated in the survey instrument discussed under **Chapter 3**.

Figure 2-27: Knowledge identified for inclusion in the survey based on RM parent theory

☑ Knowledge of BE theories (apparent disconnect)
☑ **Knowledge of current business ethics issues**
☑ **Knowledge of emergent business ethics issues**
☑ Analytical thinking skills
☑ Oral communications skills
☑ Written communications skills
☑ Advising skills
☑ **Environmental scanning ability**
☑ **Risk management ability**...
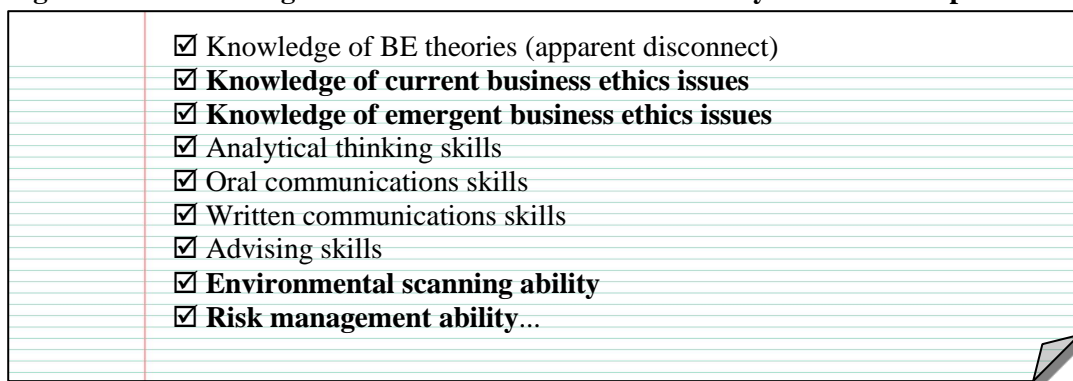
(*Source*: Developed for this research)

The incorporation of these KSAOs into the survey instrument is consistent with the views espoused in the extant literature which suggest that some of these competencies are under-emphasized (i.e., those in bold). By their very nature, knowledge of emergent risks and their methods of detection and assessment represent a drought in current competencies, a view echoed by Fernandez and Graham (2010, p. 8) who state:

> *Organisations can also provide training and development opportunities to their employees that provide them with the knowledge, skills and abilities (KSA's) necessary to effectively detect and deal with emerging risks.*

In summary, this section on risk management theory and practice provided several pragmatic enhancements through augmented frameworks in three key areas coinciding with the Gartner EAE risk model. First, a means to *explore* emergent and current business ethics risks and issues facing organizations using the STEEP LEDGES macro/meso-environmental scanning framework that can serve to complement existing methods such as SWOT analysis. Second a means to *assess* identified risks and issues using an extended 'LIP' risk assessment framework that includes a third factor to address *pervasiveness*, an element highly relevant to

BE risks and issues. Finally, a third enhancement involved a means to *express* assessed risks, and more importantly issues currently plaguing organizations so that better prioritization and risk-informed decision-making is made possible.

2.5   Conceptual Framework & Content Selection Analytical Model

This section introduces the proposed *BE instructional content selection model* and provides a brief rationale for its development as well as implications for practice.

2.5.1   Proposed BE instructional content section model and rationale

Building upon **Figure 1-1** first introduced in Chapter 1, the research problem theory of *risk-informed BE competencies as training content* evolved from an interdisciplinary analysis, synthesis, and critical evaluation of the three parent theories of an *institutionalized business ethics program* (IBEP), *competency-based management* (CBM), and *risk management* (RM).

Figure 1-1: Research problem focus: Risk-informed competencies applied to BE training content
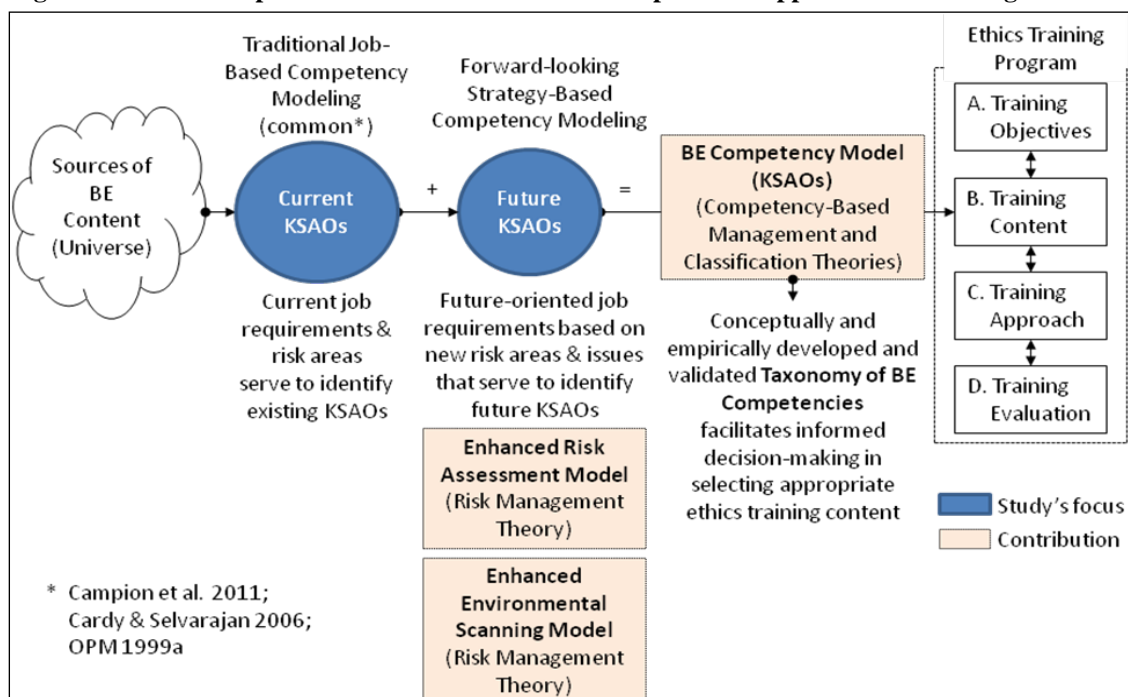
(*Source*: Developed for this research)

Jointly, the IBEP and CBM parent theories yield *BE competencies as training content*. However, as reflected in **Section 2.2.3** on ethics training content, a number of sizeable gaps exist in academia and industry in terms of instructional content. According to Sekerka (2009, p. 91) there is a '...lack of focus on the development of ethical competencies.'

This study posits that training content (item "B" in **Figure 1-1**) within an organizational ethics training program can be effectively addressed through the use of two factors: First, key

competencies (KSAOs) and second, knowledge of current and emergent organizational risks and issues. In the absence of clearly defined essential KSAOs, risks, and issues, those charged with developing corporate training courses are left to their own devises to determine what content is most important or appropriate from a broad universe of potential material.

Fashioning business ethics instructional content on competency theory alone may be insufficient. There is growing agreement on the importance of skills though far less agreement on which competencies and skills are important (OECD 2001). Further, there is no general agreement from one organization to another on what competencies are required to be successful (TBS 1994a). Therefore, according to the OECD (2001, p. 113), '...**more research is needed to justify** and guide substantial changes in the context, **contents** and methods **of** teaching and **learning aimed at developing new competencies and skills**.'

To address this gap, the RM and CBM parent theories, together yield *risk-informed competencies* in terms of identifying and assessing both current and emergent (known and unknown) issues and risks. These issues and risk consist not only of knowledge *per se*, but also the skills, abilities, and traits required to address them.

Risk exploration and assessment frameworks are key elements within a *conceptual model of screening criteria* **to select BE training content.** The Conference Board of Canada (CBoC), in one of their top 10 recommendations to strengthen an organizational ethics culture, suggest having 'an enterprise risk framework that includes ethics and integrity measures' (Bassett 2009, p. 1). Further, they suggest organizations 'conduct ethical risk assessments to identify inherent risks, [and] gaps in ethics training...' (Bassett 2009, p. 1). Moreover, the Corporate Executive Board (CEB 2007, p. 40) state:

> *Unfortunately, the **criteria used by many companies to select issues for inclusion** in a CSR report **poorly serve communicators** in achieving many of the[ir] goals...**Screens for an issue's importance to the organization are missing**. (Emphasis added)

Although related to social reports, the preceding quote arguable applies as easily to the selection of BE training content. Together, risk exploration and assessment serve as key filters, or BE content selection criteria to apply against the broad universe of potential BE risks and issues and provide more specificity in terms of pertinent content and competencies, tailored to an organization's needs for BE training as depicted in **Figure 2-28**.

Figure 2-28: Conceptual model of screening criteria (filters) for BE training content
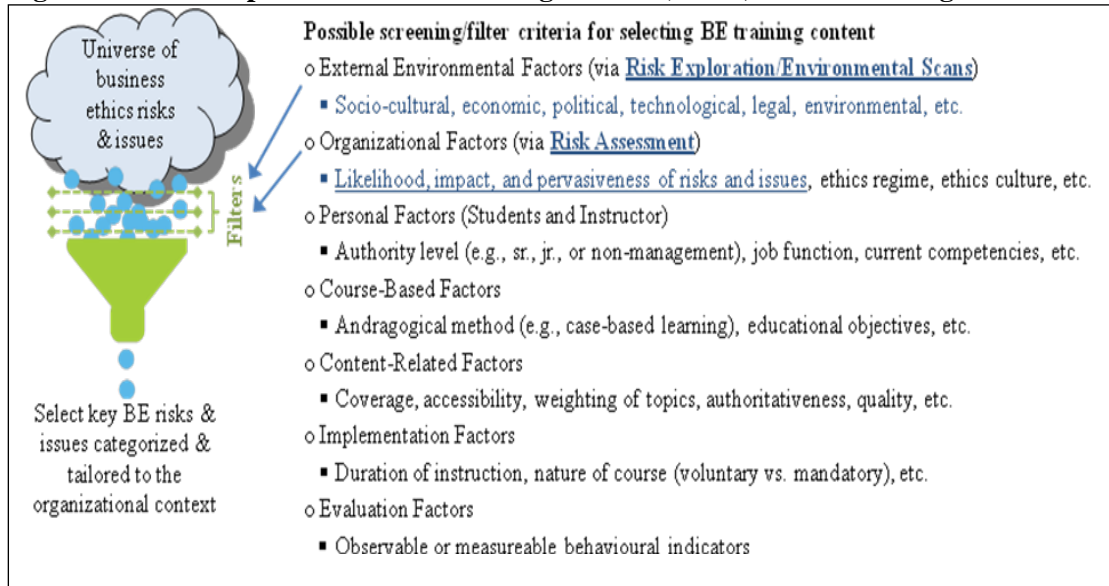
(*Source*: Cramm 2010)

There are over a hundred different potential screening criteria—of varying degrees of relative importance (Cramm 2010) that organizations can use to help select relevant training content, some of which are depicted in **Figure 2-29**. These screening criteria can be taxonomically arranged and categorized by broad themes such as external (exogenous) environmental factors addressed by *risk exploration*, organizational (endogenous) factors addressed by *risk assessment*, student or instructor-based personal factors, course-based factors, and so forth.

Figure 2-29: Content Selection Model for BE Instruction
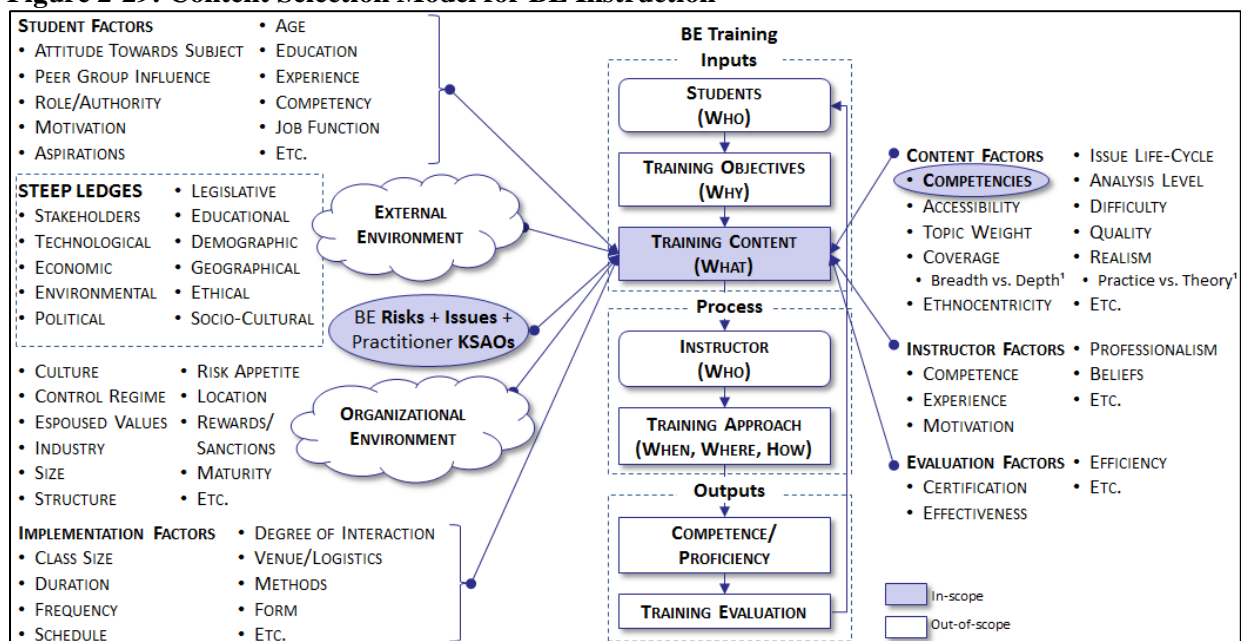
(*Source*: Developed for this research)

One factor identified in **Figure 2-29**, an organization's *ethics (control) regime*, previously described under Section 2.2.2 is further refined in **Table 2-16**, as an example.

Table 2-16: Extract of dimensions of business ethics training content

Influencing Factor	Value Range & Synonyms	Description	Questions & CBL Implications	References
Organizational				Loe et al. 2000
Ethics Regime	Value-based vs. compliance-based; compliance vs. aspirational goals	A 'compliance program should be distinguished from [an] ethics...program, as a compliance program is... ' (DII 2010, p. 3)	'it is important to distinguish compliance, which is rules-based, from ethics...' (DII 2010, p. 3)	DII 2010; EPAC 2001; Waples et al. 2009; West & Berman 2004...

(*Source*: Developed for this research)

Table 2-16 shows that for each factor identified, a title, synonymous terms, a description of each factor, and a range of values are provided. In the example above, an organizational ethics regime can be either compliance-based or aspirational in nature (or a hybrid as discussed in the simple typology created for this research and previously introduced). Finally, implications for competency-based learning (CBL) or pertinent questions for program designers are also provided along with references.

The *content selection model for business ethics instruction* in **Figure 2-29** depicts training content (the "what") as the focal point. This addressed an issue raised by Lundberg (1972, p. 15) with respect to development programs, that despite 'many factors influencing the effectiveness of any program, the appropriateness of the content to the personnel is probably more significant than heretofore appreciated'. According to the model, *external environmental factors* such as stakeholders, political, legislative, technological, and other drivers of change described under risk exploration—Section 2.4.2, and the STEEP LEDGES framework developed for this study help inform the selection of appropriate BE instructional content. Similarly, *organizational environmental factors* such as the ethics regime, risk appetite and others, some of which can be addressed using the augmented LIP risk assessment framework developed for this study also help inform the selection of appropriate content. Finally, *content factors* such as competencies also play a key role in selecting appropriate BE instructional content. Organizations can use the conceptually and empirically developed and content validated proposed *BE Competencies Framework* as a starting point, tailored by resultant knowledge obtained using risk exploration and assessment models.

In brief, out of over a hundred potential factors that an organization could leverage to develop their business ethics training and development program, organizations could choose to focus

on *competencies* (KSAOs) specific to the role of ethics, compliance, or integrity practitioners as well as *ethical risks and issues* (knowledge) pertinent to the organization. To facilitate ethical risk and issue identification, risk exploration, assessment, and expression models are provided under the section on risk management.

2.5.2 Implications for practice

Similarly to Lundberg (1972) who proposed a conceptual model for the selection of content for training and development programs focused on *competencies* to aid developers of executive development programs, this study proposes a *Content Selection Model for BE Instruction* (**Figure 2-29**) based on *competencies* and *risk management frameworks*. However, in contrast to the Lundberg (1972) article which provided no catalogue of topics or materials (KSOAs), this research proposes a conceptually and empirically developed and content validated *BE Competencies Framework* of knowledge, skills, abilities, and traits for business ethics, compliance, and integrity practitioners.

In addition to the *competency model of KSAOs* to assist organizations in selecting important business ethics training content, augmented risk exploration and assessment frameworks in the form of STEEP LEDGES and LIP respectively, are provided to help organizations further tailor the proposed competency model to their organizational context by ensuring risk-informed content selection that considers both current and future business ethics issues, risks, and competencies.

Finally, a recurring theme within the extant literature and bodies of knowledge is the lack of attention, specificity, or transparency in the choice of selection criteria for training, learning and development. This research proposes a model and frameworks to transparently and objectively determine, assess, and prioritize ethical issues and risks of greatest importance to an organization to rationalize and concentrate instructional content on the most critical KSAOs, issues, and risks given the ever-more complex and dynamic business environment forcing the informed selection of fewer, more critical issues, risks and competencies.

2.6 Research Issues

Having introduced research issues (RI) throughout the literature review, this section provides a summary list of the RIs against which data will be collected, analysed, and interpreted in Chapters 3 to 5 respectively to address the research problem posited as:

What competencies are important for job performance to business ethics practitioners in industry and how do their perceptions compare with those of academia?

Finally, since the goal of this study is to identify, compare, and contrast the perceptions of important BE competencies between industry and academia, the three RIs for this study are:

RI1: *What core set of KSAOs are important to business ethics practitioners?*

RI2: *What core set of KSAOs are considered important by academia?*

RI3: *How do perceptions of important KSAOs differ between business ethics industry practitioners and academics?*

2.7 Conclusion

In brief, Chapter 2 presented an analytical model of the research problem and theory and explored the three parent theories of an institutionalized business ethics program (IBEP), competency-based management (CBM), and risk management (RM) to uncover three research issues. Moreover, a number of theoretical and pragmatic inputs were made in each parent body of knowledge (BoK) in the form of new typologies and extended models. Finally, a new conceptual framework and content selection analytical model to help select business ethics instructional content was developed based on an interdisciplinary analysis and synthesis of the three parent theories.

3 Research Methodology

'There is no right way to do a wrong thing.'
– Blanchard and Peale, (1988, p. 19)

3.1 Introduction

The previous chapter summarized key literature and identified the lack of research surrounding business ethics competencies. An introduction to the methodology was provided in **Section 1.4** that this chapter builds upon by further describing the research design and methodology along with its goal of directing and controlling the acquisition of data to facilitate data analysis (Leedy & Ormrod 2001) described in **Chapter 4**, with the ultimate goal of answering the research question:

What competencies are important for job performance to business ethics practitioners in industry and how do their perceptions compare with those of academia?

Objectives for this chapter are fourfold. First, to demonstrate an understanding of appropriate methodologies or the *data theory* (Phillips & Pugh 1987); second, to provide evidence that critical processes and procedures (methods) were followed; third, to demonstrate an understanding of controversies associated with adopted methods; and finally, to justify the choice of methodology. By the end of this chapter, methodological and procedural familiarity, justification, and adherence should have been demonstrated.

The remainder of this chapter is arranged in ten sections. First, the research paradigm is justified (Section 3.2) followed by a description of the research design (Section 3.3) and justification for the research methodology (Section 3.4). Next, data collection procedures are described in terms of the document analysis (Section 3.5) and survey methods (Section 3.6) followed by a brief description of data analysis (Section 3.7), research reliability and validity (Section 3.8) and inherent limitations (Section 3.9). The penultimate section addresses ethical considerations (Section 3.10) and finally, a conclusion is provided (Section 3.11).

3.2 Research Paradigm Justification

This section builds upon the justifications provided in **Section 1.4** that highlighted a predominance of exploratory and descriptive research (Crane 1999; von Maravić 2009), theory building, qualitative research methods, an interpretative approach (Leedy & Ormrod 2001), inductive reasoning, and the widespread use of document analysis and surveys in business and public sector ethics as well as in competency-based studies.

Justification for the selected paradigm begins with a brief description of key constructs to ensure common understanding given a lack of consensus on nomenclature surrounding paradigms (Brand 2008).

3.2.1 Research paradigm elements

To compare or contrast paradigms four elements may be used: (1) ontology, (2) epistemology, (3) methodology, or (4) methods. However, clear demarcation between the elements is not feasible and consensus on the scope of each is not universal (Guba & Lincoln 1994; Crotty 1998). Further, the first three elements typically define a *paradigm* (cf. Guba & Lincoln 1994; Brand 2008) which relates to the way data is perceived. Finally, data and methodology are inextricably linked and data serves as the linchpin between the four elements as '*the data dictate the research method*' (Leedy & Ormrod 2001, p. 100). These elements are summarized in **Table 3-1** along with a description of how they apply within this study.

Table 3-1: Instantiation of a *research paradigm* for this study

	Elm.	Description & Questions	Instantiation within this study
Paradigm	**1.Ontology**	**Philosophy of reality** The underlying belief system of the researcher. Q: What is the form and nature of reality and what is there that can be known about it?	**Post-positivism (critical realism)** Reality exists independent of our thinking about it and is imperfectly perceived. This study assumes BE competencies exist that provide superior job performance for practitioners, though to varying degrees (e.g., influenced by organizational environment, etc.), even though these may be imperfectly or not perceived.
	2. Epistemology	**Philosophy of knowledge** How we come to know. Q: What is the relationship between the knower and what is known? What counts as knowledge? How do we know what we know?	**Exploratory and descriptive with a goal of building theory** Findings are probably true, though all observation is fallible and has error and all theory is revisable; reality cannot be known with certainty. All researchers are biased and construct their views of the world based on their culture, experience, etc.
	3. Methodology	**Practices to attain knowledge of reality** Q: How can the would-be knower go about finding out whatever they believe can be known? 'Choice of methodology...has major constraining or liberating potential' (Starkey 1990, p. 97)	**Qualitative and quantitative triangulation of methods** Both qualitative and quantitative methodologies are appropriate to capture data. Since all measurement is fallible, multiple measures and observations using multiple sources of data and methods is important (triangulation of method) in striving to view reality. Common concerns (e.g., reliability and reactivity bias) of traditional methodologies are some of the strengths of document analysis making it a strong choice for triangulation to complement weaknesses in survey methods (Insch, Moore & Murphy 1997).
	4. Methods	**Concrete techniques and procedures** Mechanisms by which a particular methodology is enacted. '...the selection of a method of data collection and analysis determines the potential boundaries and depth of knowledge that can be generated' (Starkey 1990, p. 97).	**Document analysis (Phase I) and survey (Phase II)** Mixed-methods either are recommended for doctoral research (Gable 1994) or are common for researchers working with practitioners to provide more perspective. This is common to competency-based studies in IT (cf. Surakka 2005) and other domains (cf. Erwee et al. 2002). A document analysis is used as a secondary method, followed by a survey to support findings via triangulation.

(*Adapted from:* Brand 2008; Crotty 1998; Guba & Lincoln 1994; Krauss 2005; Starkey 1990; Trochim 2000)

(1) Ontology. An understanding of *ontological* assumptions is important because they encompass a researcher's underlying belief system and largely "define" the choice of

methodology (Dobson 2002) used for data collection. However, some argue that ontological assumptions 'inform' rather than determine methodological selection (Crane 1999, p. 239). Within this study, a post-positivist (critical realism) ontological view is adopted. This view assumes that reality exists, independent of a researcher's thinking about it, and that reality can only be imperfectly and never fully gleaned (Brand 2008). For instance, each person is fraught with their own biases, and 'no two people can perceive the same "truth" because each person's perspective is different' (Buckingham & Coffman 1999, p. 95). Moreover, this view of reality is supported by Leedy and Ormrod (2001) who state that researchers can only approach reality through two one-way barriers. The first barrier relates to limitations in data collection while the second relates to human limitations such as researcher bias (Trochim 2000), distortions, and insensitivities, and limitations inherent to research instruments and language.

This study assumes that reality exists in the form of the universe of BE competencies. From this universe of KSAOs, a Business Ethics Body of Knowledge (BEBoK) emerges. The BEBoK's boundaries ebb with the disappearance of KSAOs as they become obsolete and flow over time with the addition of nascent KSAOs as new ethical issues and risks emerge. This study aims to contribute to the BEBoK by tapping into primary data via a document analysis of a selection from the BE *text corpus* (e.g., job advisements, textbooks) as well as using responses to an online survey. Furthermore, secondary data in the form of industry and academic benchmarks (e.g., competency profiles) are used to enrich discussion, minimize omission of material KSAOs and partially validate the preliminary BE competency model, and help build a survey instrument. Finally, a subset of the BEBoK represents generally recognized and more important competencies to BE industry practitioners, though these KSAOs may vary in *relative importance* given amplifying or attenuating dimensions or drivers such as macro-environmental (external) and organizational (internal) factors such as culture, regulation, and other dimensions.

Defining precisely which BE KSAOs apply universally is therefore extremely challenging given this relativity in importance which emphasizes the value of using triangulation of methods and sources of data to provide a more robust and comprehensive view of BE competencies despite the fact that no utopian solution exists and any resultant profile would need to be tailored to each organization's unique context and environment.

(2) Epistemology, or the philosophy of knowledge (Trochim 2000), considers the nature of the relationship between the knower and what is known (Brand 2008). Reality is imperfectly perceived by knowledge seekers because of personal biases and because all measurement and observation is fallible (Trochim 2000). A researcher's goal to minimize these biases and limitations and to seek objective findings can be achieved through triangulation 'across multiple fallible perspectives' (Trochim 2000, p. 2). This study uses two sources of primary data: (1) an English *text corpus* reflecting the thoughts and perceptions (knowledge) of authors on important BE KSAOs, and (2) survey responses.

(3) Methodology. Guided by the underlying ontology and epistemology, methodology is concerned with determining an appropriate *research design* to capture and analyse the data. Methodology refers to the 'data theory' (Phillips and Pugh 1987). This is consistent with Krippendorff's (2004, p. xxi) view that it 'provides a language for talking about the process of research, not the subject matter.' In this study, qualitative and quantitative methodologies, both appropriate for a post-positivist research paradigm (Guba & Lincoln 1994; Healy & Perry 2002) are considered. According to Starkey (1990, p. 97) the choice of research methodology 'has major constraining or liberating potential'. In addition, the methodology adopted caters to different study purposes. For instance, quantitative methodologies tend to be used in explanatory studies while qualitative methodologies tend to be used in exploratory or descriptive studies (Leedy & Ormrod 2001; Neuman 2003a). Finally, once the methodology is determined, the concrete techniques, procedures, or *methods* must be chosen.

(4) Research methods. The final element of **Table 3-1** is the specific mechanisms by which a particular methodology is enacted. Starkey (1990, p. 97) indicates that '...the selection of a method of data collection and analysis determines the potential boundaries and depth of knowledge that can be generated.' Moreover, the particular method chosen may carry other limitations that should be considered to ensure quality (valid and reliable) research findings; these considerations are examined later. For this study, a document (content) analysis is used in Phase I, followed by a survey method in Phase II to support findings, via triangulation.

3.2.2 Choice of scientific paradigm

Variability of paradigm choice is important, particularly for business ethics research which has been predominantly conducted using a positivist approach, though several papers call for a shift towards other, perhaps more appropriate paradigms to provide a more holistic, diversified, or 'pluralistic approach' (Cane 1999, p. 246; Brand 2008). Ultimately, a

researcher's choice of paradigm should be guided by the subject being researched, and arguably, there is no single "best" paradigm and accompanying methodology (Cane 1999).

(1) Positivism. By in large, positivism, or functionalism (Crane 1999) represents the predominant paradigm used in business ethics research to date (Crane 1999; Brand 2008), perhaps due in large part to the familiarity or convenience of this paradigm to many of the researchers in business ethics given their 'business school background' (Brand 2008, p. 1) or other background and familiarity with quantitative methods (Crane 1999; Brand 2008). Despite this predominance, some researchers have questioned the appropriateness of a positivist approach to business ethics research (Brigley 1995) while others have argued in favour of less reliance on positivist assumptions going forward (Crane 1999; Brand 2008).

Despite its predominance in the field of business ethics, positivism was abandoned by some because it rejects metaphysics (Trochim 2000; Krauss 2005) and teleology – the study of purpose, ends, or outcomes, which represents a key business ethics philosophy. In addition, historically emotions, thoughts (what someone thinks is an important BE issue) and similar constructs were not seen as legitimate research topics since these could not be directly observed (Trochim 2000). Similarly, the *rule of phenomenalism*, a central tenet of positivism according to Kolakowski (1972) holds that all abstractions (e.g., "spirit") must be rejected. Given that morality, religiosity, and spirituality may inform a person's thoughts and ethical decision-making processes, positivism seems inconsistent with the goal of this study. Likewise, another central tenet of positivism, the *rule of nominalism*, holds that linguistic phenomena such as words and generalizations do not give worldly insight (Kolakowski 1972). An underlying premise of this study is that important thoughts are reflected in the written works gathered for the document (content) analysis. In effect, the construct "content" has led to the notion of 'authors as authorities' (Krippendorff 2004, p. xx).

Moreover, positivism is concerned with prediction and control, tenets of explanatory research (Guba & Lincoln 1994; Trochim 2000), as well as deductive reasoning, theory testing or verification (Crane 1999), and experimentation (Trochim 2000) which do not align with the intended purpose of this study. The field of business ethics research is regarded as under-developed in relation to other, more mature fi and positivist approaches favouring explanatory research may be inappropriate for business ethics which is 'still attempting to progress out of the exploratory stage of theory development' (Crane 1999). Having found positivism as not appropriate for this study, the non-positivist paradigm is examined next.

(2) Non-positivism. Despite calls for more research diversity and use of interpretive or other non-positivist approaches (Crane 1999; Brand 2008), non-positivist paradigms have not been extensively used within the empirical business ethics research when contrasted to positivist approaches. Non-positivist and other paradigms such as *critical theory*, *constructivism* (Krauss 2005), *empiricism*, *subjectivism*, *relativism* (Trochim 2000), *experimentalism* (Leedy & Ormrod 2001), *participatory* (Lincoln & Guba 2000), *interpretivism* (Crane 1999), *hermeneutics*, (Brand 2008), *naturalist* (Krauss 2005), and others are deemed not as relevant to this particular study and are therefore not applied.

(3) Post-positivism (critical realism). This section justifies the use of post-positivism or realism (Krauss 2005), by demonstrating its suitability. Of the various paradigms described, post-positivism is generally regarded as the most appropriate for much business and commerce research. Besides, along with positivism, post-positivism shares the longest tradition of use for research and represent the predominant paradigms for business ethics work (Brand 2008, p. 4). Critical realism's popularity may be due in part to the many inherent constraints and narrow views of positivism and much criticism, leading to a more recent shift towards a post-positivist paradigm (Trochim 2000). Further, critical realism shares elements of positivism and constructivism (Healy & Perry 2000) making it a versatile or eclectic research paradigm suitable to the exploratory and descriptive nature of this research study.

Finally, three doctoral dissertations from Henry (2002), Porter (2004), and Surakka (2005) were considered to ascertain the scientific paradigm adopted within these works given their relevance to this study. Surakka's IT competency-based study states *empiricism* as the paradigm because empirical quantifiable observations were used. However, self-admittedly Surakka notes the problematic fit of *empiricism* with his study since the 'purpose was not to explain causal relationships but merely describe the current situation and trends' (2005, p. 21). Despite this relative absence of helpful guidance or any explicit mention of the underlying philosophical basis for much research in business ethics and larger philosophical debates (Brand 2008), the previous discussion has shown that *critical realism* is most suitable for this study.

Finally, critical realists believe in a reality independent of their thoughts about reality (Trochim 2000). In other words, reality actually exists but is so complex that only parts of it

can be observed and further, our observations are fallible and error-prone, therefore all theories must be revisable (Trochim 2000). Because a critical realist can only ever hope to observe parts of reality, and this through imperfect lenses and through inherent cultural, experiential, and other biases, achieving objectivity is only feasible using triangulation across multiple fallible perspectives or multiple error-prone sources (Trochim 2000). Consistent with this view which demands triangulation because 'all measurement is fallible' (Trochim 2000, p.1; Krauss 2005), both qualitative and quantitative research methods are appropriate for post positivism (critical realism). With the research paradigm now justified, the use of a mixed-method qualitative and quantitative exploratory and descriptive research design is described next.

3.3 Research Design

The research paradigm and design are inherently related because they paint an overall high-level approach, strategy, and plan of attack (Leedy & Ormrod 2001, p. 91) for the study. Its two main functions involves developing an operational plan outlining the requisite procedures and ensuring those procedures can lead to valid, objective, and accurate findings to resolve the research problem. This discussion on methodological and procedural familiarity and adherence will occur in **Section 3.5** on document analysis data collection and **Section 3.6** on survey data collection methods respectively, while this brief section outlines the overall blueprint or plan.

Using a post-positivism research paradigm, this mixed-method qualitative and quantitative research design seeks both to explore and describe in terms of a taxonomic classification, the knowledge, skills, abilities, and other characteristics (KSAOs, or competencies) required by business ethics practitioners based on frequencies of observed competencies reflected within business ethics-related academic and industry publications using a document analysis as a secondary methodology with *triangulation of method* provided by the primary methodology, a survey of business ethics academicians and practitioners.

Turning now from both the research paradigm which provides a philosophical outlook on how researchers view the world (Trochim 2000) and the research design which provides an overall research plan, the following section provides a justification for the research methodology that is focused on specific methods or practices used to collect data to facilitate a better understanding of our world (Trochim 2000).

3.4   Research Methodology Justification

This study uses a post-positivist research paradigm and quantitative multi-phase design (cf. Neuman 2003b; Patten 1987) to collect the data using two techniques. In **Phase I**, an extensive *document analysis* of academic and industry texts using frequency counts of KSAOs important for practitioners was completed to construct a *preliminary business ethics competency model* and *survey instrument*. Additionally, benchmarking was performed against a generic management/leadership competency model constructed in parallel (based on dozens of industry and academic competency models and research) as well as against two industry (Hay/McBer 2004; Orme & Ashton 2003) and two academic (BRICE 2007; Spurgin 2004) competency assessment models and two industry competency profiles (EPAC 2001; Ezekiel 2006). These benchmark comparisons serve to enrich the discussion and partially validate the *preliminary business ethics competency model* and *survey instrument*.

In **Phase II**, the survey was administered to academics and ethics practitioners to empirically validate the *preliminary business ethics competency model* and establish to what extent their perceptions differ about the competencies needed by business ethics practitioners. This facilitates comparison (Leedy & Ormrod 2001; Yin 2003) in the hopes of supporting a core set of essential competencies for ethics practitioners. The researcher's confidence in getting an accurate measure of *key competencies* is greater if essential KSAOs identified during the document analysis phase are supported by the survey of academics and practitioners. Moreover, any differences in results between the document analysis and survey provide informative data as a basis for training design (Neuman 2003b).

Having justified the use of a multi-phased approach, a justification for the specific methods follows. The purpose of this study is exploratory and descriptive (theory building) in nature. Research in business ethics (Crane 1999) and public sector ethics (von Maravić 2009) reveal that both fields are largely considered under-developed, accounting for the predominance of exploratory and descriptive research. Further, a recent analysis by von Maravić (2009) places the number of descriptive empirical public sector ethics studies at roughly two-thirds, the remaining being explanatory in nature.

3.4.1   Method 1 – Document Analysis Justification

Given this formative stage of maturity and the predominance of exploratory and descriptive research that often entail qualitative research methods and an interpretative approach (Leedy & Ormrod 2001) and inductive reasoning and analysis, a document analysis is used as the

first stage of the research to develop a proposed *preliminary business ethics competency model* (taxonomy) and survey instrument.

In addition, valuable insight into the importance of social issues to organizations is made possible by a document analysis (Gray et al. 1995a, 1995b) and its use in business ethics and public sector ethics is common. This may be because it is an emerging field with a limited theoretical basis. Established precedents for using a document analysis method are many and include research into codes of ethics (Lugli, Kocollari & Nigrisoli 2008; Preuss 2008; Snell, Chak & Chu 1999), ethics policies (Hassink, Vries & Bollen 2007), and ethical value statements (Agle & Caldwell 1999; Chun 2005; Scott 2002). Document analyses have also been used to analyse ethical content (Arce 2004), learning objectives (Buff & Yonkers 2005), decision-making (Harris 2001; Payne & Joyner 2006), and teaching (Cornelius, Wallace & Tassabehji 2007). Similarly, studies in information technology (IT) have also leveraged content analyses to identify core knowledge and skills for practitioners (cf. Gallivan, Truex & Kvasny 2004; Ho & Frampton 2010; Lee & Han 2008; Surakka 2007). This method has also been used in doctoral research to examine ethics learning objectives (Porter 2004) and ethical knowledge (Henry 2002) as well as in IT (Surakka 2005) to identify competencies. Supporting the widespread use and acceptability of document analysis in ethics research, von Maravić (2009, p. 21) states:

> *What a survey is for business ethics research, document analysis is for administrative ethics research: 61 percent based their findings on document analysis... The frequent use of document analysis is not surprising, for it provides the easiest access to the field.*

Finally, complementing this first method and to provide triangulation, another predominant research method in business ethics also recognized by von Maravić (2009, p. 21) are surveys: '...findings show a clear tendency toward the use of document analysis and survey data'.

3.4.2 Method 2 – Survey Justification (principal method)

In addition to the widespread use of document analyses in business ethics, a review of empirical research also supports the predominance of surveys (Brigley 1995; Crane 1999; Fineman 1997; Randall & Gibson 1990). For instance, exclusive reliance on survey data was found to be present in 81 percent of available empirical studies according to Randall and Gibson (1990). Moreover, surveys constitute one of the key methods in identifying competencies and building competency models (Campion et al. 2011; Burrs & Serjak 2010; Tett et al. 2000).

Therefore, and based on the literature review, both document analysis and surveys outweigh other methods in business ethics research and are justified in their use. This is consistent with the view that '[e]very discipline...has its own way of conducting research and its own definition of the "right" way to conduct research' (von Maravić 2009, p. 23). This view that guidance on the appropriate use of specific methods relates to a particular discipline and its body of knowledge is reflected by Ellis and Levy (2009, p. 324):

> *the literature provides clear guidance on the specific methods to be followed in conducting a study of a given type... Ignoring the wisdom contained in the existing body of knowledge can cause the…researcher, at the least, a great deal of added work establishing the validity of the study.*

In addition to choice of particular methods to use, the *sequence of use* (Neuman 2003b) of multi-phase studies is also important. This study's sequential use of document analysis as a first phase in the study to design a survey instrument, followed by the administration of a survey is justified based on a previous argument regarding the initial use of inductive approaches. Also, this study adopts a sequence of use similarly employed by a number of studies in information technology (cf. Aasheim, Li & Williams 2009; Lethbridge 2000; Surakka 2005, 2007) which sought to determine the set of critical competencies required of practitioners to perform their jobs successfully. These studies used document analysis to determine the initial set of competencies that was then included in a survey instrument and administered to academicians and practitioners. Aasheim, Li and Williams (2009) identified model IT curricula and current empirical studies as sources for their skill items to their survey instrument.

Finally, other sources used in document analysis to identify competencies include job advertisements (Gallivan, Truex & Kvasny 2004; Lee & Han 2008; Surakka 2005), academic and trade journals (Henry 2002), and textbooks.

In this study, the document analysis and survey, which provide triangulation of method, also complement each other in the sense that some shortcomings of one method are overcome, at least partially, by the other method and vice-versa. A summary of the benefits and disadvantages of both method employed in this study are reflected in **Table 3-2**.

Table 3-2: Benefits and disadvantages of research methods employed

Research Method	Benefits and Advantages	Challenges and Disadvantages	References
Document Analysis	1. Cheap and unobtrusive. 2. Good for identifying trends and patterns (cf. Naisbitt 1984). 3. Rich and meaningful technique that goes beyond mere word counts. 4. Software tools can automate coding and increase reliability. 5. Blend of qualitative and quantitative properties. 6. Newer communications means and technologies (e.g., online job advertisements) are amenable to computerized analysis.	1. Presence of synonyms, jargon, acronyms, idioms, dialects, and imagery may skew word-frequency counts – language is broad and diverse. 2. Some topics are not well covered in texts (e.g., taboo or sensitive issues such as reverse discrimination). 3. Ambiguity of word meanings such as homonyms and homographs; subtlety and context requires judgement in coding data and can be quite onerous. 4. Each word may not represent a category equally well 5. Categories must be independent, mutually exclusive and exhaustive. 6. Category definitions must be well-defined and robust 7. Selection of the texts to be analysed poses a major source of bias. 8. Automated coding requires all texts be available in electronic full text format; many texts are scanned images or hardcopy textbooks and trade books and therefore not available to automated coding; using scanners to convert images to electronic full text format may be inaccurate and skew results using software.	Hakim 1982; Harris 2001; Insch, Moore & Murphy 1997; Neuman 2000; Stemler 2001; US GAO 1996, pp. 9-10
Survey	1. Most efficient method for collecting information about a large group of people. 2. A representative subset of the population can be used to generalize to the whole. 3. Ability to collect opinions and perceptions. 4. Internet survey can be relatively cheap.	1. Obtrusive (requires ethics clearance because of human subjects). 2. Traditional mail or phone surveys can be costly. 3. Desensitization or other factors lead to low response rates. 4. Questionnaire development and evaluation can be problematic, time-consuming, or costly.	Altizer 2004; Johnson 2005; Stemler 2001

(*Source*: Developed for this research)

For example, while a survey is obtrusive and requires ethical clearance since it involves soliciting the opinions or perceptions of human subjects, a document analysis is unobtrusive. In contrast, exclusive use of a document analysis may lead to missed categories or competencies whereas open-ended questions in a survey may be able to draw out new categories or competencies not encountered within the *text corpus* of a document analysis.

Finally, a number of shortcomings of past research in business ethics studies have been identified within the extant literature and are summarized in **Table 3-3**.

Table 3-3: Past criticisms of empirical research in Business Ethics (BE)

№	Common Criticisms	Description / method used to address common criticism in current study	References
1	Respondent (social desirability) bias	Over-reliance on self-reported data from interviews and surveys questionnaires subject to reactivity bias (social desirability or acquiescence). **This study** uses triangulation of methods, and in particular, document analysis to address the issue of self-reported data.	Cowton 1998; Harris 2001; Randall & Fernandes 1991
2	Lack of attention to theory	Many if not most empirical studies in BE and IT or leadership competencies do not broach the topic of theory; in those few cases where theory is mentioned, this is done in general terms, without any detail – e.g., 'not based on any particular theory of learning' (Surakka 2005, p. 25) **This study** explicitly states the underlying theory under **Chapter 2**; notably competency-based learning and risk management theory, amongst others.	Cowton 1998; Harris 2001; Robertson 1993; Randall & Gibson 1990
3	Failure to address validity or reliability	In many studies, there is little concern for validity or reliability of the measurement instrument.	Cowton 1998; Harris 2001; Randall

№	Common Criticisms	Description / method used to address common criticism in current study	References
		This study provides thick details to ensure replicability and transparency; the survey instrument was validated using a pilot.	& Gibson 1990
4	Sensitive issues	There is reluctance to talk about sensitive (i.e., taboo), or potentially embarrassing, threatening, stigmatizing, or incriminating issues. **This study** looks at business ethics competencies that are not particularly sensitive in terms of just identifying important KSAOs, not actually rating respondents against them. Also, the survey instrument is anonymous and the document analysis phase of the study is unobtrusive.	Dalton & Metzger 1992; Harris 2001; Treviño 1986
5	Research Paradigm	There is a paucity of detail surrounding the research paradigm, ontology, or epistemology underlying many if not most studies. **This study** explicitly states the research paradigm, ontology, epistemology, methodologies, and research methods or procedures within this **Chapter 3**.	Lead Researcher

(*Source*: Developed for this research)

Leveraging document analysis and survey methods, this study attempts to address some of these past criticisms as reflected in **Table 3-3**. For example, triangulation of methods addresses the perceived over-reliance on self-reported data from interviews and survey questionnaires (Cowton 1998; Harris 2001; Randall & Fernandes 1991).

In summary, this section demonstrated that investigation of complex social phenomena such as business ethics is often facilitated by multiphase approaches (von Maravić 2009). It further demonstrated that both document analysis and surveys are appropriate to descriptive research (Neuman 2003a) and demonstrated the value of both methods in similar research on core competencies within business ethics (cf. Henry 2002) and other emergent fields such as IT (cf. Aasheim, Li & Williams 2009; Surakka 2005, 2007). Having identified and justified the research methodologies, the specific research methods are introduced next.

3.5 Document Analysis Data Collection Procedure

To ensure familiarity with the 'data method theory' behind a document or content analysis, a number of authoritative and material sources were considered as depicted in **Table 3-4**. Familiarity with these sources is intended to avert or minimize procedural errors and ensure greater methodological reliability and validity.

Table 3-4: Data method theory for content analysis – body of knowledge (BoK) summary

Document Type	Description	Academic	Industry	Total	Sample References
Authoritative	Influential, highly referenced or cited, or *de facto* guide; topical or process experts	4		4	Krippendorff 2004; Weber, RP 1990
Material	Relevant for the study	5	1	6	Harris 2001; Insch, Moore & Murphy 1997; Leedy & Ormrod 2001; Neuendorf 2002; Stemler 2001; US GAO 1996
			Count	10	

(*Source*: Developed for this research)

3.5.1   Nine-Step Document Analysis Process

The document analysis process depicted in **Figure 3-1** was synthesized from several sources.

This nine-step document analysis process is examined next.

Figure 3-1: Nine-step document analysis research method
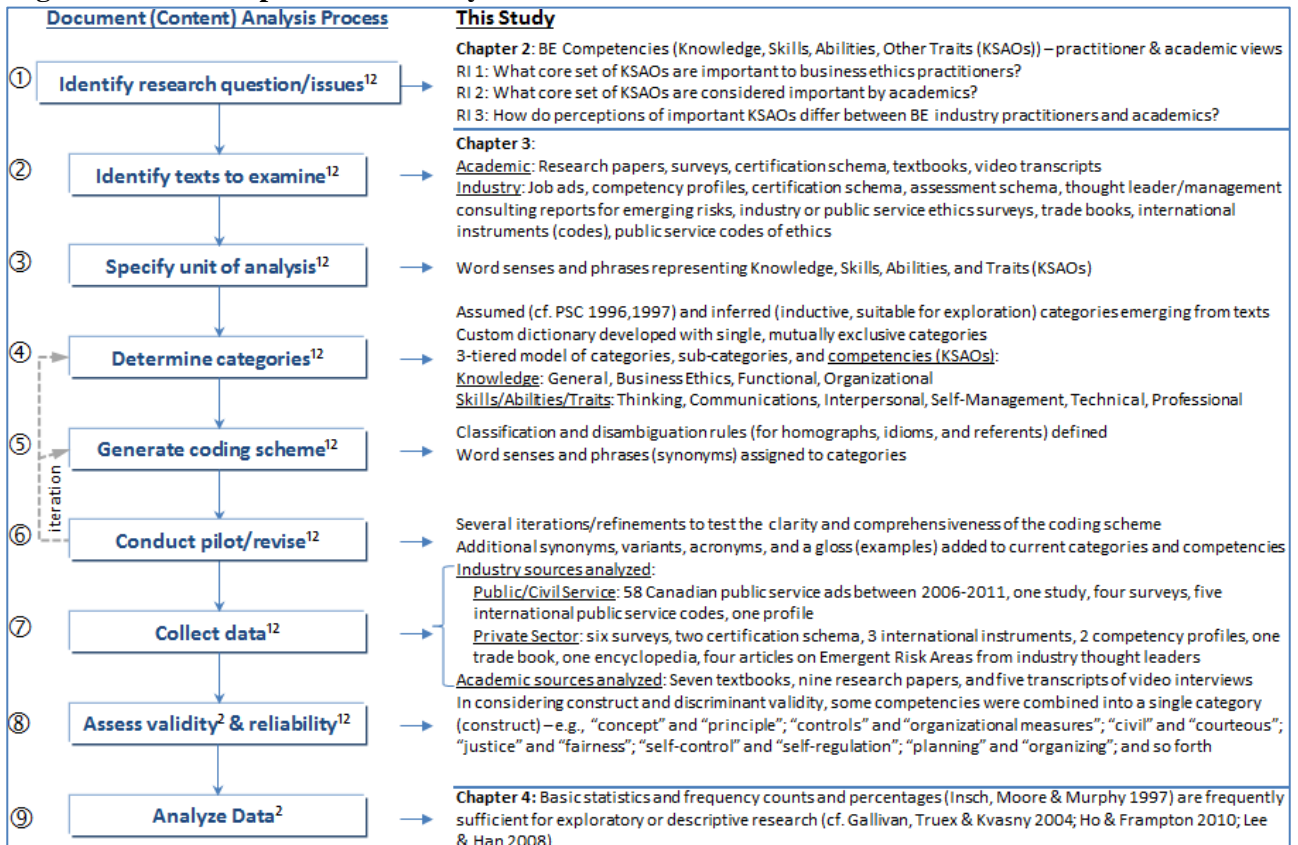
(*Adapted from*: [1]Harris 2001, p. 194; [2]Insch, Moore & Murphy 1997; [3]Krippendorff 2004; [4]Stemler 2001; Weber, RP 1990)

3.5.1.1   Research question and issues identified

The research question from Chapter 1 was stated as:

> *What competencies are important for job performance of business ethics practitioners in industry and how do their perceptions compare with those of academics?*

From Chapter 2, the following research issues evolved, against which data will be collected as part of this chapter and analysed under Chapter 4, and interpreted in Chapter 5.

RI1: *What core set of KSAOs (knowledge, skills, abilities, and other characteristics) are important to business ethics practitioners?*

RI2: *What core set of KSAOs are considered important by academics?*

RI3: *How do perceptions of important KSAOs differ between business ethics industry practitioners and academics?*

These research issues are amenable to a document analysis method since job advertisements, competency profiles, surveys, textbooks, trade books, and so forth may all reflect required or desired competencies (job requirements) for business ethics, integrity, or compliance practitioners and are accessible in an unobtrusive manner.

3.5.1.2   Relevant texts analysed

The study used a number of academic and industry publications of varying degree of academic rigour as depicted in **Figure 3-2**.

Figure 3-2: Effective academic literature review
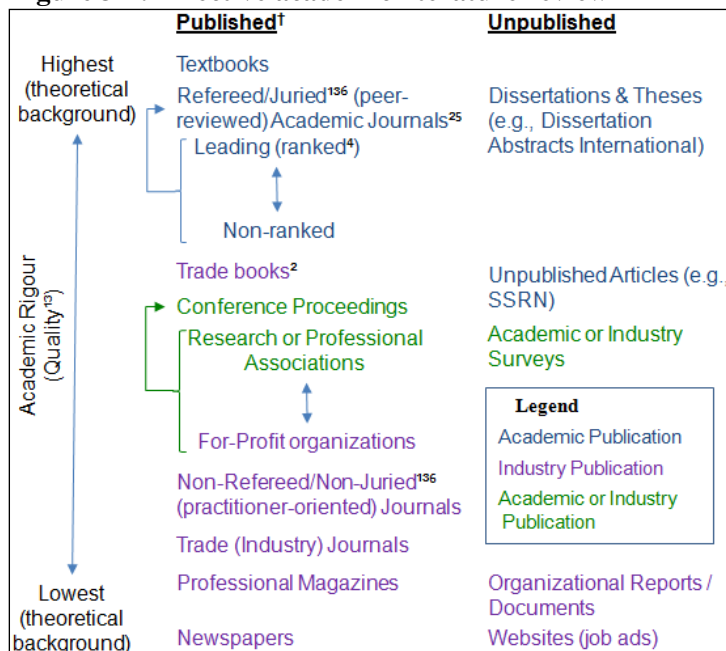
(*Adapted from:* Ellis & Levy 2006, pp. 181-212; Leedy & Ormrod 2001, p. 11; Serenko & Bontis 2009; Neuman 2003, p. 11)

Both published and unpublished texts where considered, and a mix of more rigorous quality publications such as academic textbooks and industry trade books were considered, along with less rigorous publications such as surveys and job advertisements. However, for the intents of this study, job advertisements posted on a website are quite relevant in terms of capturing required competencies therefore their lower academic rigour compared to textbooks for instance is less relevant in this context.

Source validity (Merritt 1970), or the appropriateness of data sources to capture constructs of interest and answer research questions was addressed by leveraging similar sources used in other content analysis research studies. For instance, job advertisements are common to many studies (cf. Gallivan, Truex & Kvasny 2004; Lee & Han 2008; Litecky & Arnett 2001; Surakka 2005; Todd, McKeen & Gallupe 1995), as well as the use of authoritative journal

articles, textbooks, transcribed video (Sims & Manz 1984), and other sources used for identifying KSAOs in other disciplines such as IT and Leadership.

Academic publications. Where feasible, authoritative or influential sources where used. Based on the objective search for BE authorities and a more subjective qualitative assessment of the extant BE literature, the following textbooks were considered for the document analysis:

1. Beauchamp, Bowie and Arnold (2009) - newer edn of an influential publication
2. Boatright (2003) – added based on more subjective qualitative assessment
3. De George (2010) - newer edn of an influential publication
4. Di Norcia (1998) – added based on more subjective qualitative assessment
5. Ferrell, Fraedrich and Ferrell (2002)
6. Treviño and Nelson (2004) – added based on more subjective qualitative assessment
7. Velasquez (2006) - newer edn of an influential publication

Rounding out these seven academic textbooks were ten academic studies from authoritative journals such as the *Journal of Business Ethics (JBE)* and other sources, as well as five video transcripts from the Business Roundtable Institute for Corporate Ethics (BRICE) as depicted in **Figure 3-3**.

Figure 3-3: Sources for document analysis
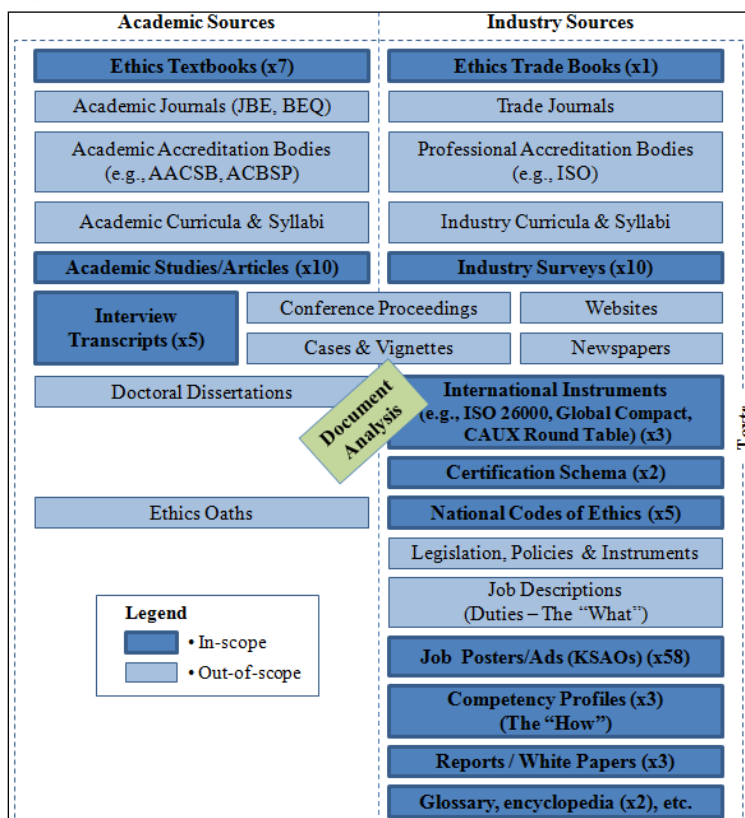
(*Source*: Developed for this research)

Industry publications. Next, from an industry perspective, sources included one trade book (cf. Murphy & Leet 2007), ten industry (public and private sector) surveys—several from authoritative or respected sources such as Deloitte (2004, 2010), KPMG (2008), PricewaterhouseCoopers (PwC) (2010), the Conference Board of Canada (CBoC) (2005), and the Ethics Resource Center (ERC) (2008, 2009), OECD (1999, 2000), Arthur Andersen (2000), and three international instruments such as the *UN Global Compact* (UN 2009), *Social Accountability 8000* (SAI 2008), and a meta-analysis on the *OECD Guidelines* (OECD 2001a) and other Corporate Responsibility instruments. Additional publications included two certification schemas (one Australian (ACI 2006a,b, 2009), one US (SCCE 2010)), five national codes of ethics (Australian (APSC 2009), Canadian (TBS 2003), New Zealand (SSC 2007), UK (CO 2010), and US (OGE 2009)), three competency profiles (Canadian (TBS 2001a), US (O*NET 2009)), three reports from a respected industry thought leader on emergent risk areas (CEB 2009; CEB ADR 2010; CEB IREC 2009), an official Canadian government glossary on management values and ethics (PWGSC 2000), and an encyclopaedia. Finally, rounding out the industry sources is a census of 58 Canadian Public Service job advertisements between 2006 and 2011. Since job advertisements are the premier recruitment vehicle (Walsh et al. 1975) they should reflect the true nature of the competencies required of ethics practitioners. Finally, to help ensure broader generalizability (external validity), several documents stemming from international organizations or several different countries were analysed.

3.5.1.3 Unit of analysis defined

Five options exist for the choice of the unit of analysis. These are: i) words, ii) word sense or phrases, iii) sentences, iv) paragraphs, or v) entire documents (Insch, Moore & Murphy 1997, p. 6). Word senses or phrases are commonly used as the unit of analysis in content analyses instead of simple words alone because abstract construct such as competencies are often defined by expressions rather than single words (e.g., "Corporate Social Responsibility (CSR)" vs. "values"). Therefore, this study uses both words (e.g., integrity) and word senses or phrases (e.g., "spirit of the law" or "triple bottom line") as unit of analysis to identify individual competencies such as knowledge, skills, abilities, or other traits (KSAOs).

3.5.1.4 Categories identified

High-level categories enable a researcher to "slot" identified competencies into the most appropriate category for future analysis. Typically, three issues arise relating to the choice of categories and include (Insch, Moore & Murphy 1997) (i) exclusivity, (ii) inductive or

deductive categories, and (iii) use of dictionaries. Additionally, a fourth issue is also considered in this study, notably (iv) taxonomic structure of categories.

(i) Single vs. multiple classification. Weber (1990) recommends single classification where categories are mutually exclusive and units of analysis are assigned to a single category based on best fit while ambiguous items are dropped from analysis. This study uses mutually exclusive categories; therefore, a particular competency must only belong to one category.

(ii) Assumed vs. inferred categories. Assumed categories leverage existing dictionaries to help group words and word senses in a deductive process (Insch, Moore & Murphy 1997). In contrast, inferred categories involve an inductive process that allows categories to emerge from the document analysis. Both assumed categories from the PSC (1997) *Wholistic Competency Profile (WCP)* and inferred categories emerging from the texts (an inductive process suitable for exploratory and descriptive research) are used within this study.

(iii) Existing dictionaries vs. self-defined. The Lasswell Value Dictionary (LVD) and Harvard VI-4 Psychological Dictionary are established general-purpose content analysis dictionaries that were considered but rejected, as they were not appropriate to this study. Therefore, a custom dictionary was created using several sources for inspiration (PSC 1997).

(iv) Taxonomic structure of categories. Despite the existence of many leadership competencies frameworks (Erwee et al. 2002), the lack of a commonly accepted competency-based classification (taxonomy) structure or format (TBS 1994b) created challenges in constructing the conceptual framework of BE competencies. There is no single authoritative or recognized source to use as a starting point in competency modelling. Moreover, while competencies models are frequently arranged hierarchically into categories and sub-categories, competency models vary in terms of *depth* and *breadth* of their taxonomy, although 'two levels seem to be the preferred maximum' (Campion et al. 2011, p. 248) depth.

The Thompson, Stuart and Lindsay (1997) management and leadership competency framework is one example of a broad but shallow two-level hierarchy, with a top level consisting of 36 'competency domains' such as leadership, marketing, and strategic planning, characterized as 'areas of activity regarded as an important focus for performance excellence' (Thompson, Stuart & Lindsay 1997, p. 73). Under this model, the second tier consists of 38 'competences' such as flexibility, communications skills, and advertising skills, characterized

as 'skills, characteristics, traits and abilities' (Thompson, Stuart & Lindsay 1997, p. 61). With many top-level competency domains (36) and relatively few second tier competences (38), the average depth is one competence per competency domain. Finally, rounding out the Thompson, Stuart and Lindsay (1997) model are 'elements of competences', or their constituent parts which would be considered as behavioural indicators under other models and would therefore not constitute a third tier, but instead, would form part of the anatomy of a competency profile as previously described under **Chapter 2**.

Having examined dozens of competency models relating to a broad range of fields such as management and leadership, Information Technology, and Project Management, a simple typology was construed to facilitate comparison and analysis. Based on the two dimensions of *breadth* and *depth*, reflecting the number of categories and sub-categories, and the number of competencies respectively, this simple typology of competency models is presented as **Table 3-5**.

Table 3-5: Simple typology of competency model hierarchies (taxonomies)

| | | Depth | |
		Shallow (few competencies)	Deep (many competencies)
Breadth	Narrow (few categories)	Parsimonious	Specialist (e.g., Business Ethics Practitioners)
	Broad (many categories)	Generalist	Cumbersome

(Source: Developed for this research)

Most competency models observed typically restrict their taxonomic structure to two or three tiers for practical reasons. Campion et al. (2011, p. 248) suggest that two levels seem to be the preferred maximum to hierarchically arrange competencies into categories and sub-categories. For this study, a three-tiered model was employed with the top tier differentiating the superordinate concepts of "knowledge" from "skills, abilities, and traits". From the extensive literature review, it was sensed that these two constructs could be reasonably differentiated from each other. However, even this choice of higher order categories could be argued, as demonstrated by the following statement: 'The distinction between skills and knowledge is so blurred that virtually everything you learn can now be called a skill' (TBS 1994b, p. 6). Finally, the decision to group skills, abilities, and traits together was based on the lack of terminological clarity and the observed use of terms (skills and abilities often being treated synonymously) within various competency models. **Table 3-6** shows the final 2-tiered taxonomy of categories used to slot individual survey items (competencies, the third

and final tier) on the questionnaire. Frequency counts were also used to form this overarching structure of categories. A survey instrument of key KSAOs was constructed based on an extensive document analysis, benchmarking, and risk assessment and environmental scan performed resulting in an updated preliminary business ethics competency model.

Table 3-6: Identified categories of KSAOs for business ethics practitioners, based on selected models

Category	Sub-Category	References
Knowledge		
	General Knowledge	Astorga 2002; **PSC 1997**; TBS 1998a, 1998b
	Business Ethics Issues	Added for this study
	Functional BE Issues	Lominger 2005; **PSC 1997**; TBS 1998a, 1998b
	Organizational Knowledge	Hay Group 2000; Lominger 2005; **PSC 1997**;
Skills, Abilities & Traits		
	Thinking Skills	Astorga 2002; PDI 2006; **PSC 1997**; TBS 1998a, 1998b
	Communications Skills	Goleman 1998; Lominger 2005; McClelland 1973; **PSC 1997**,
	Interpersonal Competencies	Astorga 2002; Orme & Ashton 2003; **PSC 1997**; Tett et al. 2000;
	Self-Management Competencies	OECD 2001b; Orme & Ashton 2003; PDI 2006; **PSC 1997**;
	Technical Competencies	Lominger 2005; OECD 2001b; OPM 1999; Tett et al. 2000
	Professionalism	APSC 2003; OECD 2001; Tett et al. 2000

(*Source*: Developed for this research)

Table 3-6 shows the first two tiers of the *provisional BE competency model* consisting of categories and sub-categories identified with the highest frequency counts after conducting a substantive analysis, synthesis and critical evaluation of the extant competency and ethics bodies of knowledge. For instance, a top tier of "knowledge" and second tier of "general knowledge" are included in the *provisional BE competency model*.

3.5.1.5   Coding scheme defined

Despite having only one researcher to code document content, to ensure consistency over time since Phase I was protracted, a codebook and coding sheet, described further under **Section 3.11.1** were developed. The code book addresses issues such as assignment rules, disambiguation rules for handling homographs, idioms (e.g., letter of the law, spirit of the law, triple bottom line), and referents of pronouns or phrases (Insch, Moore & Murphy 1997), and kernelling or lemmatizing rules.

For example, a variety of authoritative linguistic tools such as Princeton University's (2012) WordNet[®], The Canadian federal government Translation Bureau's TERMIUM Plus[®] (PWGSC 2012), MSN Encarta[®] and other dictionaries and encyclopaedia were used to help assign competencies (KSAOs) and their many synonyms to assumed or inferred categories

where clear definitions were not available within the *Wholistic Competency Profile (WCP)* (PSC 1997) or other texts analysed.

3.5.1.6   Pilot study conducted

In this study, stability for the document analysis was assessed by repeating the coding of selected texts after several months using the TextSTAT Content Analysis. In most cases, human coding was more accurate because it accounted for spelling mistakes, context, synonyms, and so forth. Finally, several iterations and refinements were made to test the accuracy of classification and disambiguation rules and the clarity and comprehensiveness of the coding scheme in general. As a consequence, additional synonyms, variants, acronyms (e.g., CSR), and a gloss (examples) were added to current categories and competencies.

3.5.1.7   Data collected

This study leveraged a number of data sources similarly used in other studies, though the variety of documents analysed is greater in this study in many regards.

3.5.1.8   Data analysed

Descriptive statistics commonly used in document analyses include frequency counts and percentages (Harris 2001; Insch, Moore & Murphy 1997; Leedy & Ormrod 2001; Trochim 2006). A more fulsome discussion on data analysis in introduced under **Section 3.11**.

3.6   Survey Data Collection Procedure

Building on the document analysis data collection method, this section on the survey method provides *triangulation of method* (Neuman 2003b) and may lead to increased reliability. Moreover, this section also addresses the *data method theory* from a selection of the extant literature reflected in **Table 3-7**.

Table 3-7: Data method theory for survey method – body of knowledge (BoK) summary

Document Type	Description	Academic	Industry	Total	Sample References
Authoritative	Influential, highly referenced or cited, or *de facto* guide; topical or process experts	4	2	6	AAPOR 2007; Fowler 1995, 2002; NCPP 2006; Presser et al. 2004; Trochim 2006;
Material	Relevant for the study	7	5	12	Altizer 2004; Baker, Crawford & Swinehart 2004; Coakes & Steed 2003; Couper 2008; Ellis & Levy 2009; Forsyth, Rothgeb & Willis 2004; Hansen & Couper 2004; Iarossi 2006; Joppe 2010; Leedy & Ormrod 2001; Willimack et al. 2004
			Count	18	

(*Source*: Developed for this research)

References are labelled as either authoritative or material as per Chapter 2. The remainder of this section is divided into two sections. First, a nine-step survey process synthesized from the literature is introduced, followed by an eight-step survey questionnaire design process.

3.6.1 Nine-Step Survey Process

A survey methodology typically includes steps for defining the (1) unit of analysis, (2) population, (3) sample frame, (4) sample design, (5) and sample size, as well as (6) designing the survey instrument, (7) conducting a pre-test, (8) collecting data, and (9) analysing the data (Altizer 2004; Davis & Cosenza 1993; Fowler 2002; Krosch 2008; Trochim 2006) as depicted in **Figure 3-5** and described next. This holistic 9-step process synthesized from the extant literature leverages a *total survey design* perspective (Fowler 2002, p. 7).

Figure 3-4: Synthesized nine-step survey process
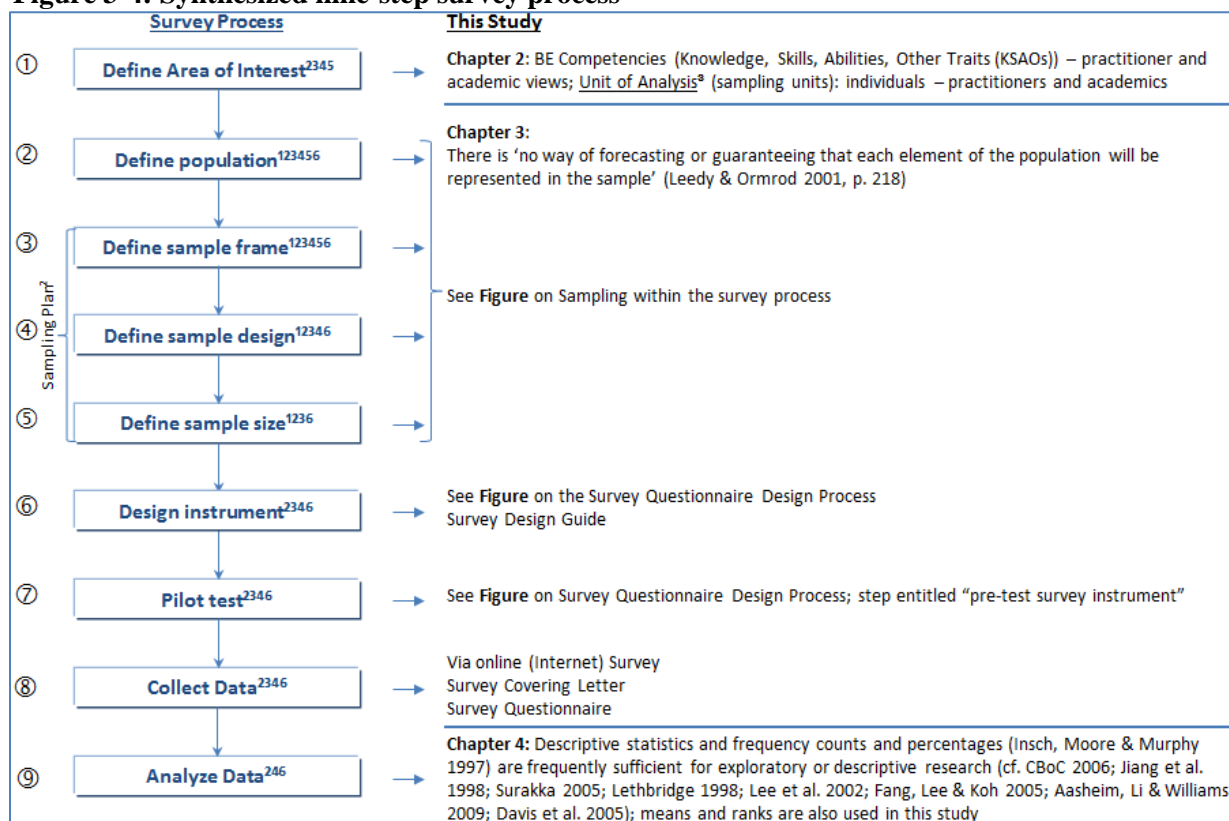
(*Adapted from*: Davis & Cosenza 1993; Krosch 2008; Altizer 2004; Trochim 2006; Fowler 2002)

3.6.1.1   Unit of analysis

As with many surveys, the *individual* will serve as sampling unit (Neuman 2003b) as opposed to organizations or other subjects. Specifically, business ethics, compliance, or integrity practitioners and academics define the area of interest.

3.6.1.2   Population

The *theoretical population* or *universe* to be studied (Altizer 2004; Joppe 2010; Leedy & Ormrod 2001; Neuman 2003) is the group a researcher wishes to generalize to (Trochim 2006). This is also the group a researcher would like to sample from because it is less costly, quicker, more feasible, and so forth than conducting a census on the entire population.

The *accessible population* is predominantly Canadian and an accessible professional population approachable by the researcher (Trochim 2006). For example, those self-identified or self-declared Business Ethics (BE) practitioners who are members of one or more of the many larger international or national ethics organizations (e.g., ECOA, EPAC, OCEG, SBE, SCCE) that post their members' contact information online or are willing to allow anonymous contact with their members through internal distribution. Moreover, the *accessible population* also includes BE practitioners who are otherwise accessible through public directories or distribution lists such as government directories (e.g., the Canadian Government Electronic Directory Services (GEDS)), social media sites (e.g., Linkedin), or list servers (e.g., SBE). Many BE industry practitioners who are not publicly known (those who have never shared their contact information publicly because they are new to the role, they or their organization wishes them to remain anonymous, and so forth), are excluded from the *accessible population*. These lists therefore may exclude significant portions of the population and introduce some bias (Fowler 2002). Finally, this more operational definition of the *accessible population* is considered 'respondent qualifications' and acts as delimitations to make the research more feasible (Joppe 2010).

Having defined the accessible populations, the sample frame, sample design, and sample size are described next.

3.6.1.3   Sample Frame (N)

The sample frame is the list of people from the accessible population (Trochim 2006) from which a sample will be drawn. However, frequently there is no advanced list from which sampling may occur (Fowler 2002) and such lists must be developed. Additionally, the sample frame may represent the 'set of people who go somewhere or do something that enables them to be sampled' (Fowler 2002, p. 12). Within the context of this study, self-identified BE practitioners who are members of international or national ethics organizations or are listed in directories form the sample frame.

From an academic perspective, **Figure 3-5** shows that the opinions of college or university professors but not students will be solicited to determine perceived important BE competencies for BE industry practitioners. From a practitioner perspective, the opinions of ethics, integrity, or compliance officials, consultants, or other similar jobs will be solicited.

Figure 3-5: BE survey – potential respondents/sample frame
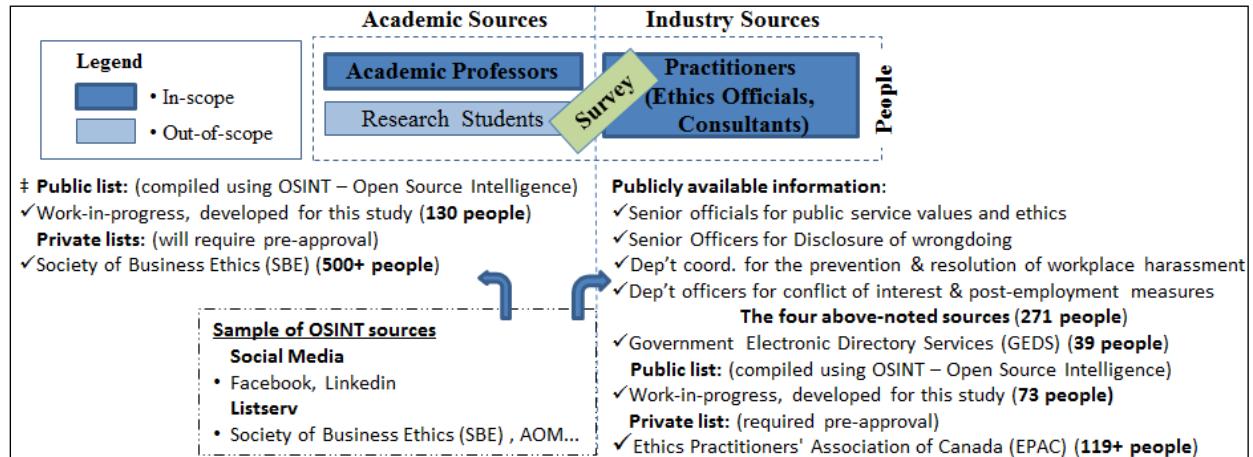
(*Source*: Developed for this research)

The left-hand side of **Figure 3-5** shows compiled lists of academics—one developed for this study from public information using open source data mining techniques (referred to as OSINT, or Open Source Intelligence) and another private list from an ethics organization. On the right-hand side, industry lists include those compiled by the researcher using publicly available information and a private list from an ethics organization.

Table 3-8: BE survey – potential respondents

Org.	Potential Respondents	Sector Academic	Sector Industry	Available Publicly	Available Privately	# People	Applicable? / Comments
TBS	Sr. Officials, Officers & Coordinators		✓	✓		200	Yes
EPAC	Ethics Practitioners' Association of Canada members		✓		✓	119	Permission granted (C MacDonald, pers. comm., 12 Sep. 2011)
Researcher	List compiled using open sources	✓		✓		169	Yes
SBE	Society of Business Ethics (SBE)	✓			✓	676	Permission granted (J Frooman, pers. comm., 14 Feb. 2012)

(*Source*: Developed for this research)

A number of publicly available and private sources were leveraged to identify both academic and practitioner potential respondents as depicted in **Table 3-8**. Finally, permission was granted from two organizations to survey their members (EPAC and SBE).

3.6.1.4   Sample Design

This step involves selecting a *mode of data collection* to choose from the accessible population and whether or not to use *pretesting* (Fowler 2002). This involves choosing either a probabilistic or a non-probabilistic mode of data collection (Leedy & Ormrod 2001). In addition, sample design addresses sources of error stemming from the sample frame, nonresponse, and response errors (Fowler 2002).

This survey uses *non-probabilistic purposive sampling* (Fowler 2002; Leedy & Ormrod 2001; Trochim 2006) as there is no way to forecast that each element of the population (academics and practitioner) will be represented in the sample and 'some members of the population have little or no chance of being sampled' (Leedy & Ormrod 2001, p. 218) as previously described – e.g., new members, members wishing to remain anonymous, less prolific members, members not part of any organization or list leveraged in this study, and so forth. Moreover, some groups are likely to outweigh others in the population since they may be more readily accessible (Trochim 2006). Also, if researcher discretion or respondent discretion, availability, volunteerism, initiative, or similar characteristics affect the chance of selection then non-probabilistic sampling is involved (Fowler 2002, pp. 11, 26).

Further, respondents are chosen with a purpose if they meet the criteria for being in the sample (Trochim 2006). The *respondent qualifications* were briefly introduced under the section on *population* but include for instance ethics, integrity, or compliance practitioners or academics typically over 25 years old with five or more years professional work experience within Canada and the US. Finally, *pretesting* of the newly developed survey instrument is used to help improve validity and reliability.

3.6.1.5   Sample Size (n)

The sample is the group of people selected to be in the study (Trochim 2006). A number of guidelines on the ideal sample size have been forwarded by numerous authors. For instance, Krosch suggests between 50 and 100 respondents, while Hair et al. (1995) recommend a sample size between 100 and 200, and Gay (1996) suggests a range of 250-300 based on a population size between 500 and 1,500. Similarly, a rule of thumb for PhD research suggests at least 350 respondents in a quantitative survey. A number of information technology (IT) and other competency-based studies employing a survey data collection method, used sample sizes ranging from a low of 25 to a high of 247 respondents with an average response rate ranging from a low of 10 percent to 98 percent (cf. Davis et al. 2005; Fang, Lee & Koh 2005;

Jiang et al. 1998; Surakka 2005). Within this study, the sample size was 102 academic and practitioner respondents.

Finally, the remaining four steps in the nine-step survey process are described under the next sections on survey questionnaire design and testing (**Section 3.7.2**) and data analysis (**Section 3.8**).

3.6.2 Survey Questionnaire Design and Testing

Turning from the early steps in the nine-step survey process, this section addresses steps 6 through 8, respectively. Notably, steps (6) designing the survey instrument, (7) conducting a pre-test, and (8) collecting data.

3.6.2.1   Designing the Survey Instrument

Designing a survey instrument in and of itself is a complex and time-consuming process that can be synthesized into an eight-step process as depicted in **Figure 3-6**. Note that some of the steps in the survey questionnaire design process overlap with the larger nine-step survey process previously introduced. Notably, defining the survey objective (step 1), deciding what to measure (step 2), and pretesting (step 7) interrelate between these models.

Figure 3-6: Survey questionnaire design method
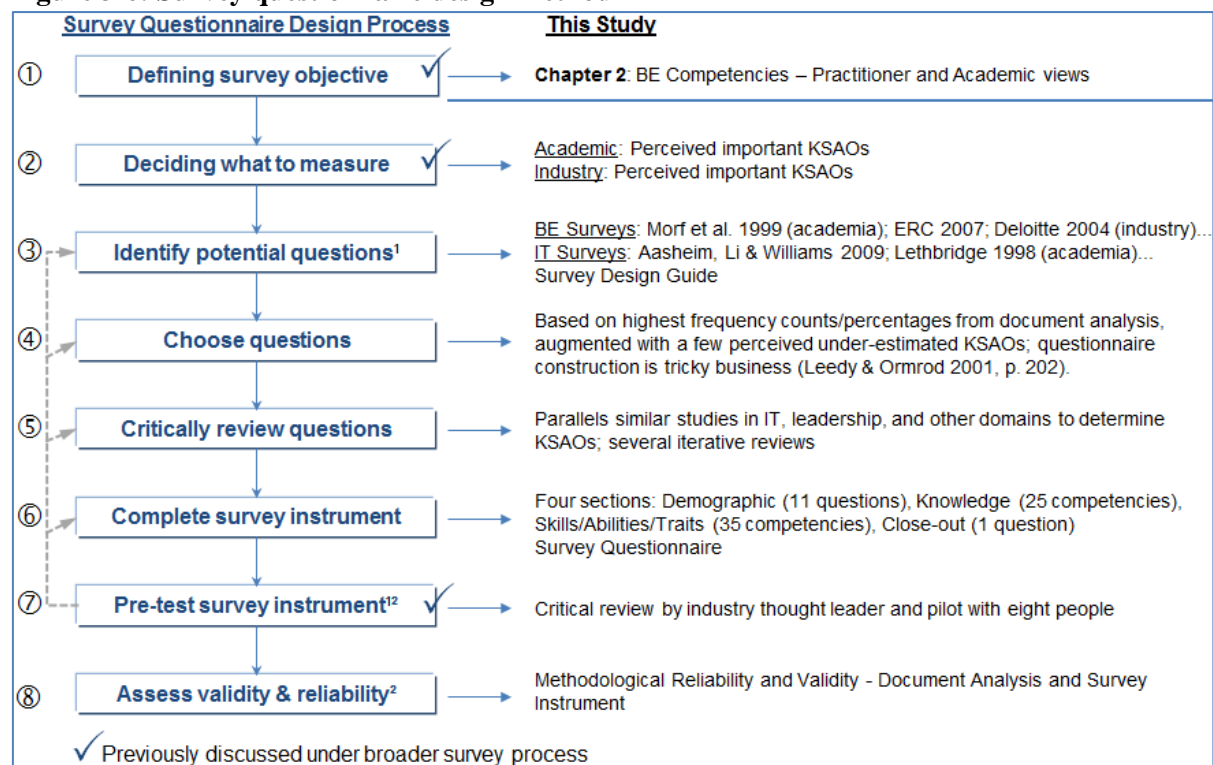
(*Adapted from*: Fowler 2002, pp. 5-8, 105)

Identifying potential questions (step 3) was completed by examining other business ethics academic (cf. Morf et al. 1999) and industry (cf. Deloitte 2004; ERC 2007) surveys as well as several IT academic surveys (cf. Aasheim, Li & Williams 2009; Lethbridge 1997, 1998). Choosing appropriate questions (step 4) was facilitated with the use of a survey design guide developed for this study. Moreover, selection of appropriate competencies was informed based on competencies with the highest frequency counts obtained in phase I from the document analysis and further augmented with a few perceive under-estimated KSAOs (e.g., environmental scanning and risk assessment).

Next, an iterative critical review of question content and wording (step 5) was conducted based on the literature review and similar competency-based studies in IT, leadership, and other domains and the survey instrument was completed (step 6) for pretesting.

3.6.2.2   Conducting a Pre-test/Pilot

The objectives of a pilot are twofold. First, to help make informed decisions about many design issues (e.g., overall length, wording choice, structure and flow, and so forth) through detection of material flaws, and second to help resolve unforeseen problems (e.g., technical issues) prior to rolling out the survey on a larger scale (Willimack et al. 2004). Both objectives strive to ensure a more user-friendly experience and reduce respondent burden.

Despite the indispensability of pretesting to uncover material flaws in a survey questionnaire a number of challenges persist. First, there is a paucity of methodological research on and guidance about pretesting methods (Presser et al. 2004). Second, pretesting is more art than science and many published studies typically provide little or no information on pilot studies conducted, if performed. Third, conventional pretesting is ill suited at detecting material flaws, even if researchers are well trained in recognizing problem questions (Presser et al. 2004). Notwithstanding these and other challenges, arguably the consensus would be that not conducting a pilot study is inadvisable as pre-tests may at least uncover some material issues. The remainder of this section looks at three facets of a pilot study: (A) the various types of pretesting; (B) the number of pilot respondents required; and, (C) common problems typically uncovered because of pretesting.
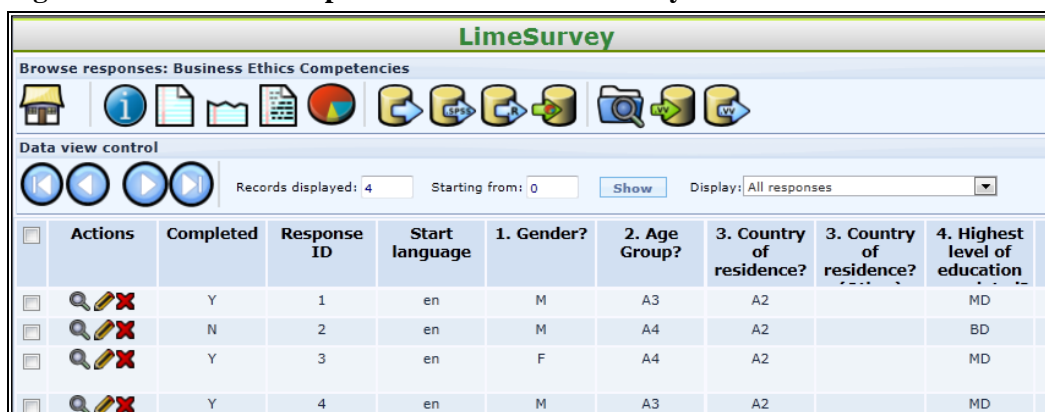
(A) Types of pretesting

The extant literature on survey testing and evaluation suggests at least eight distinct and complimentary forms of testing each geared towards identifying different types of problems (Tarnai & Moore 2004). Of these eight forms, four approaches were used for this study: (i) Question-by-question (Q-by-Q testing); (ii) data testing; (iii) usability testing of online instrument; and, (iv) pretesting with survey respondents.

(i) Q-by-Q testing. In this study, this testing was conducted by the lead researcher and five knowledgeable and experience Subject Matter Experts (SMEs) in ethics, compliance, or integrity functions using a paper-based prototype of the online survey instrument. Three of the SMEs were from the Public Sector, responsible for various aspects of an organizational ethics program including training and awareness, while the other two SMEs were from the private sector, working in compliance-related roles. In this method, each question is given a great attention to detail before moving on to the next, with a focus to uncover questionable wording (e.g., unclear, unfamiliar, and so on), response options, overall appearance, flow, length, and so forth.

(ii) Data testing. This testing was conducted by the lead researcher using a fully functioning electronic prototype of the online survey instrument, based on input from several SMEs who performed a *dry run* of the survey to provide raw data for review. In this essential method (Baker, Crawford & Swinehart 2004), preliminary data output from pre-tests or practice runs is examined to ensure survey output conforms to expectations and the survey is working as intended. **Figure 3-7** includes an extract from the administrative screen of the LimeSurvey tool used to view survey results online. Moreover, this tool permits exporting data to Excel or SPSS for further statistical analysis.

Figure 3-7: Extract of responses from the LimeSurvey administrative screen

(*Source*: Developed for this research; extract from the LimeSurvey software)

(iii) Usability testing of online instrument. This testing was conducted by the lead researcher and several ethics or compliance SMEs using a fully functioning electronic prototype of the online survey instrument. In this method, usability of the Graphical User Interface (GUI) (e.g., aesthetics, navigation, and data entry and validation), compatibility issues (e.g., technical bugs) due to the use of different Web browsers or versions (e.g., Internet Explorer, Chrome, FireFox) or software/hardware incompatibilities, structure and flow, and so forth are tested to ensure minimal burden on respondents and correct functioning of the survey instrument. Usability testing is relatively newer given the increased prevalence of online surveys but fundamentally important given the added complexities involved. Finally, we are reminded of this added complexity by Baker, Crawford & Swinehart (2004, p. 363) who state: 'Web questionnaires must run in the uncontrolled and largely unpredictable environment of the respondent.' **Figure 3-8** shows a Chrome-rendered Web page of the survey instruction sheet.

Figure 3-8: Google Chrome rendered survey instruction sheet

(*Source*: Developed for this research; LimeSurvey online survey)

(iv) Pre-testing with survey respondents. In selecting to conduct a pre-test involving respondents, two broad options are available (Presser et al. 2004). First, an *undeclared* version in which respondents are not informed of the pre-test's purpose, and conversely a

participating version in which respondents are advised. This study adopted a participating version in which a select handful of knowledgeable and experienced Subject Matter Experts (SMEs) were leveraged. In this method, respondents perform a "dry run" of the survey to detect varied forms of errors, including technical issues involving potential incompatibilities of software and hardware, and so forth. This method is commonly the final test before a survey goes live.

Finally, other forms of pretesting such as simulating survey data and scenario testing were not conducted since these were less relevant to the current study and survey instrument. Turning from the various types of pretesting, a common concern of survey designers is the determination of how many pilot respondents should be involved during pretesting.

(B) Number of pilot respondents required

Pilots require half a dozen or so respondents. According to leading experts or prominent methodologists in survey design (cf. Leedy & Ormrod 2001; Sheatsley 1983; Sudman 1983), between 6-50 respondents is sufficient to uncover flaws in a survey instrument. Moreover, pre-tests typically draw on *convenience* samples (Willimack et al. 2004) whereas this pilot used *purposive expert sampling* (Trochim 2006). Although the number of respondents selected for this study is at the low end of the recommended range, the countervailing argument is that knowledgeable subject matter experts (SMEs) were chosen for their in-depth expertise in ethics or compliance and follow-on discussions were held to clarify issues and identify flaws in the questionnaire. Similarly, the US National Academy of Public Administration (NAPA 2008) used ten external SMEs to validate their competency model. In contrast, Aasheim, Li and Williams (2009) leveraged 30 faculty members, students, and staff (i.e., non-SMEs) from the authors' university (a convenience sample) in their pilot survey of IT competencies. The higher recommended number typically involves a *random* number of laypeople from the sample frame as opposed to SMEs. For this study, two rounds of pretesting were conducted with SMEs. Question-by-question pretesting involved five SMEs while pretesting with survey respondents involved another seven SMEs for a total of *eight different pilot respondents* (four SMEs where common to both rounds of pretesting).

In sum, several pilot respondents were leveraged to help identify common problems typically uncovered during pretesting, discussed next.

(C) Common problems typically uncovered during pretesting

Turning from the ideal number of pilot respondents, several common problems of survey instruments are outlined in **Table 3-9**, along with a brief description of whether or not they were encountered as part of this study following a pilot by Subject Matter Experts (SMEs).

Table 3-9: Common problems in survey designs and their relevance to this study

№	Problem	Description / Detected during the pilot and corrected?	References
Wording / terminology: Failure to use 'simple, clear, unambiguous language' (Leedy & Ormrod 2001, p. 202)			
1	Awkward wording	Use of words or phraseology that is unclear. Spelling mistakes. **This study**: Some definitions refined (e.g., persuasive, climate).	Presser et al. 2004; Tarnai & Moore 2004
2	"Fuzzy" terms	Terms or expressions that are inherently vague, do not have precise meaning, or mean something else in a different context (e.g., homograph). **This study**: Some ambiguous words replaced (e.g., focused).	Leedy & Ormrod 2001
3	Unfamiliar terminology	Use of terms, expressions, jargon, or acronyms unfamiliar to or not understood by respondents. **This study**: Some jargon removed (e.g., Litmus test, SWOT, PESTLE).	Fowler 1995, 2002; Katz 1940; Leedy & Ormrod 2001; Morf et al. 1999
Form / aesthetics / flow / structure / order: Unattractive or unprofessional looking (Leedy & Ormrod 2001, p. 204)			
5	Flow and routing	Illogical structure, architecture, or question flow. **This study**: No coding or logic flow errors uncovered.	Baker, Crawford & Swinehart 2004
6	Layout and design	Crowded, illegible or visually unappealing a design or too lengthy. **This study**: Simple design, appropriate question type (e.g., closed/open, radio), and standard Lime Survey layout following many screen design standards in Baker, Crawford and Swinehart (2004, p. 369).	Baker, Crawford & Swinehart 2004; Leedy & Ormrod 2001; Tarnai & Moore 2004
7	Usability	Cumbersome/complex instruments that unnecessarily burden respondents. **This study**: Simple static HTML design to avoid unnecessary interactive or dynamic functions such as conditional branching, text fills, randomized questions, calculated variables, and so forth.	Baker, Crawford & Swinehart 2004; Hansen & Couper 2004; Leedy & Ormrod 2001;
Other / miscellaneous			
8	Unclear instructions or responses	Overly general instructions may lack relevance or confuse respondents. **This study**: Survey cover page modified to provide more specificity and age range value of "Above 50" changed to "50 or above".	Leedy & Ormrod 2001
9	Unwarranted suppositions	Unwarranted assumptions explicit in questions or the survey design. **This study**: Respondent scope augmented to include Compliance and Integrity Officials given perceived similarity in roles to Ethics function. Survey closeout section significantly reduced to avoid soliciting contact info and consent for follow-up to ensure anonymity.	Leedy & Ormrod 2001; Presser et al. 2004
10	Missing or response category errors	Omission of "don't know", "uncertain", "N/A", or similarly valid option; when respondents are asked for an opinion and may not have direct experience, 'a "don't know" response is a potential meaningful answer, not missing data, and it is best obtained in an explicit, standardized way' (Fowler 1995, p. 165). However, experts have mixed views about the use of neutral responses (Leedy & Ormrod 2001, p. 198). **This study**: "Don't know" category added to competency-related questions.	Baker, Crawford & Swinehart 2004; Fowler 1995, p. 165; Leedy & Ormrod 2001; Presser et al. 2004; Tarnai & Moore 2004
11	Mode / technical correctness	Technical incompatibilities or unsupported platforms (e.g., software). **This study**: The Lime Survey questionnaire is supported on most common platforms and does not require special browser plug-ins.	Baker, Crawford & Swinehart 2004

(*Source*: Developed for this research)

In all, dozens of helpful comments were received from the SMEs and resulted in several flaws being addressed and other changes being made to enhance the original survey design. The most notable changes included addition of a "Don't Know" response category to the competencies sections of the survey—№ 9 from **Table 3-9**, expanding the scope of survey respondents to include compliance and integrity professionals and significantly reducing the

survey close-out section to avoid soliciting contact info and consent for follow-up to ensure anonymity (№ 8), and changes to the cover page and instruction sheet (№ 7).

Finally, it is hoped that these changes actually improved the survey instrument by clarifying wording and instructions and facilitating responses by making the survey more intuitive and user-friendly and less labour intensive for respondents. However, and despite the use of complementary pretesting methods, uncovering and fixing questionnaire problems is an art and poses ongoing challenges as highlighted by Forsyth, Rothgeb, and Willis (2004, p. 546):

> *We believe that it's difficult to find problems in survey questions. It's more difficult to fix them. Even more difficult is demonstrating that a repair is in fact an improvement.*

Once the initial survey instrument was revised from input received during the pilot, the online survey was released to the sample frame.

3.6.2.3   (8) Collecting Data

The online survey was released from 27 April 2012 until 25 May 2012 and communicated via a number of means that included direct e-mailing to potential respondents from lists created by the researcher and via posting on social media sites such as LinkedIn. Where permission was obtained to poll members of an ethics organization (e.g., the Ethics Practitioners' Association of Canada (EPAC) and the Society of Business Ethics (SBE), a recruitment notice was sent to members internally by a duly authorized representative of that organization (e.g., the chair the EPAC Board's Education Committee and the Executive Director, Society for Business Ethics) via their private e-mail list that provided a link to the online survey. In this fashion, no distribution list of private members was provided to the lead researcher thereby preserving anonymity of members.

3.7 Data Analysis

Data analysis for most social research may involve three major steps that include: (1) data preparation, (2) descriptive statistics, and/or (3) inferential statistics (Trochim 2006).

(1) Data preparation involves screening, organizing, and/or transforming data typically for computer analysis (Coakes & Steed 2003; Creswell 1998; Fowler 2002; Trochim 2006). Moreover, this step also involves dealing with missing data (Hair et al. 1995) which has the potential to bias results. For example, there is a risk of reducing the sample size to an inappropriate number if only complete survey responses are used (Bakari 2000). Within this study, incomplete survey responses were first reviewed for systematic or random avoidance

of responses to avoid adversely affecting the generalizability to the intended population (Hair et al. 1995). Finally, incomplete survey responses were omitted from analysis and coding of document content was performed using a codebook and coding sheet.

(2) Descriptive statistics explore and describe the data and provide summaries about the sample and the measures in tables and figures (Coakes & Steed 2003; Creswell 1998; Leedy & Ormrod 2001; Trochim 2006). Descriptive statistics typically include univariate analysis of three characteristics that include: (i) central tendency (mean), (ii) variation or dispersion (standard deviation), and (iii) distribution (frequency) (Coakes & Steed 2003; Trochim 2006). Many competency-based studies use primarily descriptive statistics such as means, percentages, frequency counts, and rank ordering.

(3) Inferential statistics make inferences from sample data to the larger population and allow researchers to test hypotheses (Leedy & Ormrod 2001; Trochim 2006). However, since this study is exploratory and descriptive in nature, inferential statics will not be used.

3.7.1 Data Analysis Techniques Related to Document Analysis Data

Qualitative and quantitative analysis of document content (Leedy & Ormrod 2001) was facilitated with the aid of software including the analysis and reporting tools inherent to TextSTAT Content Analysis software, Microsoft Excel, and the Statistical Package for the Social Sciences (SPSS).

Data preparation for the document analysis involved the use of a codebook, and a Microsoft Excel coding sheet depicted in **Table 3-10** that facilitated identifying competencies within each Public Service job advertisement for further data analysis using frequency counts.

Table 3-10: Sample data coding sheet developed in MS Excel

№		Competencies	Ad #1	...	Ad #58	Count
1		**ACADEMIC EDUCATION**				
1.1		**University Degree (post-secondary, undergraduate, or Bachelor's degree) without specialization**				
1.1.1	(-)	Graduation from a recognized university <u>OR</u> an acceptable combination of education, training and/or experience {related to the position}.	*		{*}	4
1.1.2	/	University Degree				1
1.1.3	(+)	University graduation <u>and</u> a certification or accreditation as a member of a recognized auditing or accounting association such as the CIA, CA, CGA or CMA.				2
		University Degree without specialization - Totals	1		1	7

(*Source*: Developed for this research)

Moreover, data preparation involved applying disambiguation rules to homographs, idioms, and referents of pronouns or phrases. To facilitate this process, the TextSTAT concordance or key-word-in-context (KWIC) feature was used on keywords within the corpus of job advertisements.

Finally, descriptive statistics such as frequency counts, percentages, and rank ordering are used within this study to describe the document analysis results. These statistics are consistent with several other survey-based competency studies and research methodologists (cf. Johnson 2005; Leedy & Ormrod 2001; Stemler 2001).

3.7.2 Data Analysis Techniques Related to Survey Data

Quantitative analysis of survey results was facilitated with the aid of software including the analysis and reporting tools inherent to LimeSurvey® used to post the survey online, Microsoft Excel, and the Statistical Package for the Social Sciences (SPSS).

Descriptive statistics such as frequency counts, percentages, means, and rank ordering are used to describe the survey results. These statistics are consistent with several other survey-based competency or ethics studies (cf. Deloitte 2004; EdCC 2001; Morf et al. 1999) and researchers or research methodologists (cf. Walls 2011).

3.8 Reliability and Validity

Consideration of reliability and validity for both the document analysis and survey methodologies was undertaken and an overview is presented in **Table 3-11**. Further, in the absence of an appropriate measurement instrument to assess the perceived importance of BE competencies, a survey instrument was developed based on the document analysis conducted in Phase I. However, since this instrument is new, there is no agreement as to its validity for measuring the perceived importance of BE competencies. In these situations, Leedy and Ormrod (2001, p. 99) warn that 'whenever we do not have such universal agreement, we must provide evidence that an instrument we are using has validity for our purposes.'

Table 3-11: Reliability and validity of the survey methodologies

Element	Description & Examples	How element is addressed in this study
Reliability (consistent, replicable)	'extent to which [an instrument]...yields consistent results when the characteristic being measured hasn't changed' (Leedy & Ormrod 2001, pp. 31, 99)	Appropriate statistical tests – i.e., Mann-Whitney U test conducted as described in Chapter 4.
Stability reliability (intra-rater; test/retest)	'extent to which a measuring or coding procedure yields the same results on repeated trials' (Krippendorff 2004, p. 215)	In most cases, human coding was more accurate because it accounted for spelling mistakes, context, synonyms, and so forth.
Validity	'extent to which the instrument measures what it is	Triangulation lends credibility to findings based on

Element	Description & Examples	How element is addressed in this study
(truth, accurate)	supposed to measure.' (Leedy & Ormrod 2001, p. 31)	multiple sources of data and methods (Erlandson et al. 1993 in Stemler 2001, p. 6). This study uses two methods and several different sources to provide triangulation.
Generalizability	'…the extent to which the conclusions drawn can be generalized to other contexts' (Leedy & Ormrod, 2005, p. 105).	Two of 'three commonly used strategies that enhance the external validity' (Leedy & Ormrod 2001, p. 105) are used in this study. First, a **real-life setting** is used by questioning business ethics practitioners and academics and by using real job advertisements to defined KSAOs. Second, a **representative sample** of two Canadian populations BE practitioners and academics was used.
Face validity	'extent to which, on the surface, an instrument *looks like* it's measuring a particular characteristic.' (Leedy & Ormrod 2001, p. 98)	A pilot of SMEs validated important KSAOs. Many categories and competencies stem from an authoritative standard (PSC 1997). Other studies in IT or leadership use similar methods to identify KSAOs and benchmarking also provide face validity (Thompson, Stuart & Lindsay 1997).
Content validity (logical validity)	'extent to which a measurement instrument is a representative sample of the content area (domain) being measured.' (Leedy & Ormrod 2001, p. 98)	Several authoritative sources (PSC 1997, 2008) were consulted to categorize KSAOs.
Semantic validity	The 'extent to which persons familiar with the language examine lists of words placed in the same category and agree they have similar meanings or relate to the category in a similar fashion.' (Weber 1990 in Insch, Moore & Murphy 1997, p. 10)	Eight SMEs validated the competencies under each category to ensure they belonged to the appropriate categories. Moreover, the competency categories were adapted from the PSC (1997) and other sources identified in the literature review.
Construct validity	Extent to which the categories actually measure what they are intended to measure. (Merritt 1970)	Gartner, an IT research organization, was consulted on the validity and appropriateness of the survey and target audience.

(*Adapted from:* Ellis & Levy 2009, pp. 333-4; Leedy & Ormrod 2001, pp. 31, 98-100)

As summarized in **Table 3-11**, a number of mechanisms help demonstrate various forms of validity and reliability and include triangulation of methods and data sources, the use of similar approaced to other studies in IT, leadership, or HR, the use of benchmarks or standards (cf. PSC 1997), and the use of SMEs and a pilot of the survey instrument.

3.9   Research Limitations

Limitations, or 'potential weaknesses or problems with the study identified by the researcher' (Creswell 2005, p. 198) rest outside the researcher's control and threaten the study's internal validity (Ellis & Levy 2009, p. 332). Further, bias, or '*any influence, condition, or set of conditions that singly or together distort the data*' (Leedy & Ormrod 2001, p. 221) also threaten a study's validity. Moreover, bias represents a form of limitation. Methodological limitations are presented next.

3.9.1   Document analysis limitations

Limitations inherent to a document (content) analysis applicable to this study included:

(i) External validity. Generalizability was limited because of the use of Canadian Public Service job advertisements that may include possible bias (e.g., cultural bias due to principles-based regimes within Canada versus compliance-based regimes within the US).

(ii) Language. This may pose a limitation as 'not all significant research is reported in English' (Leedy & Ormrod 2001, p. 38) so important KSAOs may have been missed.

(iii) Search limitations. Despite the use of rigorous searches, a number of factors may contribute to the exclusion of relevant texts such as hyphenated words or grammatical errors.

(iv) Data analysis. Efforts to analyse results are limited due to human limitations or the richness of the English language that required close attention to context to ensure proper coding due to jargon, acronyms, synonyms, homographs, and so forth.

3.9.2 Survey limitations

Limitations inherent to a survey that apply to this study included:

(i) External validity. Generalizability was limited because of the sample size (n=102).

(ii) Transient and malleable nature of data. Survey respondents who indicated they held a particular opinion about the importance of BE competencies may now have changed their minds based on myriad reasons including public scandals and other media coverage of ethical issues. Leedy and Ormrod (2001, p. 95) warn: 'Researchers must recognize that even the most carefully collected data may have an elusive quality about them...'. Data is elusive, volatile, transient, and 'highly susceptible to distortion' (Leedy & Ormrod 2001, p. 221).

(iii) Survey instrument and language. The survey questions, 'if vague or confusing to the reader' (Morf et al. 1999, p. 270), may not have resulted in desired responses (e.g., too many "Don't know" answers). Moreover, fixed-answer survey questions meant to elicit quantitative data—used for the majority of the instrument, 'limit the response options available and thereby "set the agenda" for respondents' (EdCC 2001, p. 3).

(iv) Instrument evaluation/pilot. Subject Matter Experts (SMEs) that validated the BE competencies survey instrument during the pilot may not truly represent universally accepted expert opinions (Ellis & Levy 2009).

(v) Sampling bias. Given the very nature of non-probability sampling, sample selection is biased since not everyone in the population had an equal chance of being selected (Leedy & Ormrod 2001, p. 222). For example, less prolific ethics practitioners or those who are not members of any ethics organizations or otherwise not listed in any directory or distribution list may have been omitted.

(vi) Respondent candour. This study is limited by the 'degree to which respondents answer questions candidly' (Cole 2003, p. 20) and completely. Respondents may choose to respond in terms of *socially desirable* answers, though the anonymous nature of the survey should minimize such behaviour.

(vii) Survey responses rates. This study is limited by the degree of response to the survey (Leedy & Ormrod 2001). All respondents in the study were volunteers who could withdraw at any time therefore respondents who finished the study might not truly represent the

population (Ellis & Levy 2009). Response rate bias due to differences between non-respondents and respondents (Rogelberg & Luong 1998), potentially attributable to differences in interests, affinity or reliance levels on the Internet and technology, and so forth may have affected the results and findings of this study.

(viii) Data analysis and interpretability. Efforts to analyse and report results are limited as well (EdCC 2001) due to human limitations such as researcher bias (Trochim 2000) or insensitivities.

3.9.3 Overall Study limitations

Limitations inherent to the overall study included:

(i) External validity. While the results of the study portray an empirically-grounded list of competencies for industry practitioners in business ethics (BE) and a competency model for effectiveness in BE, they are no more than a set of guidelines and a starting point for organizations. Moreover, no individual can possess and be proficient or competent in all of the competencies listed in the survey instrument and final competency profile (Ezekiel 2006). The diversity of 'roles and responsibilities ensure that no one size fits all' (Erwee et al. 2002, p. 5). Finally, as suggested by Boyatzis (1982), study findings should be considered exploratory and not definitive. Therefore, operationalizing the set of competencies requires tailoring to specific organizational contexts as BE practitioners may not need to possess every competency (Patanakul & Milosevic 2008) and the relative importance of competencies may vary significantly depending on context.

3.10 Ethical considerations and clearance

Since the document analysis was unobtrusive, the focus of this section relates to the survey method to solicit the opinions or perceptions of human subjects (Leedy & Ormrod 2001). Ethics approval was provided by the University of Southern Queensland (USQ) Human Research Ethics Committee (HREC) for this study. Finally, issues in research ethics typically belong to three broad categories, described next.

3.10.1 Confidentiality and privacy

Informed consent was tacit via completion of the anonymous online survey. Additionally, no vulnerable groups of participants were targeted (e.g., minors) and no personal information was solicited or collected. Finally, most questions are close-ended and did not allow for the collection of personally or uniquely identifiable information other than an optional closeout question which was open-ended to solicit general feedback on the survey instrument.

Participants were identified as part of the sample frame in one of two fashions. First, names and contact info (e.g., e-mail addresses) of business ethics, compliance, or integrity practitioners or academics were harvested via publicly available (open source) information. Second, prior written permission was obtained to poll members of ethics organization (EPAC and SBE) from a duly authorized organizational representative. To ensure member confidentiality and privacy, a recruitment notice was sent to members internally by a duly authorized representative of that organization via their private e-mail list by providing a link to the online survey. In this fashion, no distribution list of private members was provided to the lead researcher thereby preserving the anonymity of members.

3.10.2 Risks and protection from harm

The anonymous survey did not entail any physical, psychological, social, or other anticipated risks to participants as taking the survey was voluntary and participants could withdraw from completing the survey (i.e., *freedom to discontinue participation*) at any time prior to submission, without any adverse consequences. Moreover, no deception or relevant information was withheld from participants. Finally, the anticipated time to complete the survey in one sitting was 15-20 minutes, although participants were able to save a partially completed survey and return to complete it later.

3.10.3 Data protection

As a certified Information Security (IS) practitioner with well over a decade experience in cyber security, data protection along with other ethical considerations such as confidentiality and privacy were paramount to the Lead Researcher. The safe storage of data was provided during and after completion of the study. Specifically, following completion of the survey data will be retained for a period of five years on electronic media (e.g., USB), encrypted or in a locked filing cabinet. This is in accordance with USQ guidelines.

3.11 Conclusion

In a fashion analogous to an audit, this chapter set out to demonstrate that the researcher understands the *data theory* and can justify the research paradigm, design, and methods as well as provide evidence of procedural compliance. As such, a justification to use an exploratory and descriptive research paradigm and both document analysis and survey methods was provided. Next, the document analysis and survey methods were discussed, along with appropriate data analysis techniques and issues of reliability and validity and research limitations and finally, ethical considerations for the methodologies adopted. These steps lead to a more fulsome data analysis presented next.

4   Results, Data Analysis, and Interpretation

'Everything that can be counted does not necessarily count;
everything that counts cannot necessarily be counted.'
Albert Einstein 1879 – 1955

4.1   Introduction

Turning from the discussion on research methodology and mixed methods of a document
analysis and an online survey to provide triangulation, this chapter presents the analysis and
results of the data collected without drawing general conclusions. The objective of this
chapter is to present, examine and interpret data and patterns. Implications and conclusions
drawn from the results and comparison to the literature are discussed in Chapter 5. The
remainder of this chapter consists of six sections starting with a description of subjects
(Section 4.2) followed by analysis and interpretation of data against the three research issues
(Sections 4.3, 4.4, and 4.5 respectively). Next, triangulation between the document analysis
and survey methods is examined (Section 4.6) followed by a conclusion (Section 4.7).

4.2   Subjects

The purpose of this section is to provide descriptive data about the subjects for both the
document analysis and survey methods respectively, to help assure examiners that the
researcher has a good sense for the data. Moreover, with respect to the analysis of qualitative
(document analysis) data, patterns and trends in the data are presented however no claims of
statistical representativeness are made since the sample was purposefully chosen.

4.2.1   Job Advertisements for Canadian Public Service (PS) Ethics Positions

The largest and most homogeneous *corpus* analysed under the document analysis method
consists of all job advertisements for a broad variety of ethics positions within the Canadian
federal public service between 2006 and 2011 (n=58), which represents the practitioners'
views of what competencies are required in the Canadian PS. This section displays results of
the analysis of this *text corpus* to complement details surrounding the document analysis
technique previously described in Section 3.7.1.

From the 58 Canadian PS ethics job advertisements, 23 different federal departments or
agencies posted 12 positions at the executive level (Director and above), and 9, 18 and 19
positions at the manager, supervisor, and working or individual contributor levels
respectively, as depicted in **Table 4-1**. Selection processes within the Canadian federal public

service consists of a job advertisement (*Job Ad*) and a more descript *Statement of Merit Criteria (SoMC)* which may or may not include a brief description of duties. Within this *corpus*, 38 (66 percent) of the SoMC included job duties. Essential qualifications are mandatory for a position while asset qualifications are optional, though they are frequently used to screen out applicants.

Table 4-1: Job advertisements for ethics positions within the Canadian PS (2006-2011), n=58

№	Position Title (n=58)	Director	Manager	Supervisor	Individual	Federal Org.	Listed Duties	Essential	Asset	Total	Essential	Asset	Total	Match
			Hierarch. Level					**Job Ad**			**SoMC**			
1	Senior Director, … Ethics	*				#1	No	12	0	12	12	0	12	1
2	Senior Ethics Policy Advisor		*			#3	Yes	5	2	7	5	2	7	1
3	Ethics Officer			*		#4	Yes	6	24	30	6	25	31	0
4	Chief Advisor			*		#19	Yes	6	2	8	31	2	33	0
…	**Totals**	**12**	**9**	**18**	**19**	**23**	**38**	**7**	**3**	**10**	**16**	**4**	**20**	**7**

(*Source*: Analysis of Canadian Public Service selection process data)

General observations from the Canadian PS ethics *text corpus*

Notable trends relating to job advertisements and Statement of Merit Criteria (SoMC) depicted in **Table 4-1** are threefold.

(1) Inconsistent position titles. Job titles vary significantly (e.g., Ombudsman, Director, Officer, Advisor, Analyst, Program Coordinator, etc.) and are inconsistent across hierarchical levels (Director, Manager, Supervisor, or Working Levels). For example, "Ethics Advisor" and its close variants were used to describe positions at both the individual contributor and supervisor levels. More confusingly, "Senior Ethics Advisor" and its close variants were used to describe positions at the individual contributor, supervisor, and managers levels.

(2) Inconsistent requirements in selection processes. The number of "essential" and "asset" qualifications and total number of competencies stated in job advertisements do not match ("0" in the last column) the requirements in associated SoMC in the majority (88 percent) of the selection processes, as red circled in row № 4 of **Table 4-1**. For example, only seven (12 percent) of job advertisements and their corresponding SoMC matched in terms of required competencies.

(3) Inconsistent requirements across hierarchical levels. The number of required competencies is lower at higher hierarchical levels. For example, the minimum number of essential (mandatory) competencies is five, highlighted in yellow underlined text in **Table 4-1**. Similarly, the lowest number of asset (non-mandatory) competencies is zero, while the lowest total number of both mandatory and non-mandatory competencies is seven. These minimal competencies relate to Director and Manager-level positions while Supervisor-level positions, in stark contrast, had the highest number of required mandatory (31), non-mandatory (25), and total (33) competencies, highlighted in red double-bordered cells on rows № 3 and № 4 of **Table 4-1**.

In addition, two additional results stem from an analysis of the Canadian public service ethics *corpus* depicted in **Table 4-2**.

Table 4-2: Mandatory competencies by hierarchical level for ethics-related PS job ads

№	Hierarchical Level	Education	Competency (Mean frequencies)					
			Experience	Knowledge	Skills/ Abilities	Personal Suitability	Leadership	Total
1	Executive	Secondary/Post-Secondary (42%) or significant experience (≥ 2 yrs) (1 case) University degree (58%)	5	3	0	1	4	13
2	Manager	Secondary (11%) University degree (89%)	4	2	4	5	0	16
3	Supervisor	Secondary/Post-Secondary (22%) University degree (78%)	4	3	4	6	0	18
4	Working	Secondary/Post-Secondary (32%) University degree (68%)	4	3	4	5	0	17

(*Source*: Analysis of Canadian Public Service selection process data; abridged)

(4) Educational requirements are lowest at the highest hierarchical level. Five (42 percent) of the 12 executive-level positions required a secondary school or post-secondary diploma, depicted on row № 1 of **Table 4-2**, while six (32 percent) of 19 working level positions, four (22 percent) of 18 supervisor-level positions, and one (11 percent) of nine manager-level positions had similar requirements. Moreover, in lieu of a formal academic education, 'significant' work experience of two years or more was deemed equivalent to having obtained a secondary school diploma in the case of a senior executive position (row № 1, "education" column). Finally, 'significant' was defined inconsistently within selection processes for equivalency of educational requirements, ranging from 18 months to 5 years.

(5) Mean number of competencies is lowest at higher hierarchical levels. The mean numbers of competencies by hierarchical levels and competency types (i.e., experience,

knowledge, skills & abilities, personal suitability (traits), and leadership) are depicted in **Table 4-2**. The average number of total competencies for executives, highlighted in yellow, was the lowest (13) amongst the hierarchical levels (row № 1, last column) – a somewhat counterintuitive finding that will be discussed within the context of the literature in **Section 5.2**, followed by managers (16), individual contributors (17), and supervisors (18).

Finally, an additional result stems from an analysis of the Canadian PS ethics *corpus* depicted in **Table 4-3** that shows the number of selection processes posted by year.

Table 4-3: Trend over time of Canadian federal PS job advertisements for ethics positions

Year	# Ads	Org. (≥ 3 ads)	Mean Competencies		
			Essential	**Asset**	**Total**
2006	12	**Dep't 13 (x3)**	16	4	20
2007	14	**Dep't 13 (x3)**	15	7	22
2008	9		17	4	**21**
2009	16	**Dep't 13 (x3), Dep't 18 (x5)**	17	3	20
2010	5		17	1	18
2011	2		12	1	**13**
Total	**58**	Dep't 13 flagged as model department in an Office of the Auditor General (OAG 2003) report	↘	↘	↘

(*Source*: Analysis of Canadian Public Service selection process data)

(6) Mean number of competencies is decreasing over time. There appears to be a deflationary trend over time in the mandatory, non-mandatory, and total numbers of competencies stipulated in Canadian public sector ethics-related selection processes starting from 2008 until 2011 – another somewhat counterintuitive finding that will be discussed within the context of the literature in **Section 5.2**. For example, **Table 4-3** shows 21 competencies as an average number of mandatory and non-mandatory KSOAs for the nine job advertisements posted in 2008 while an average of 13 competencies were required in the two job as posted in 2011, a net drop (depicted as "↘") of eight competencies over a four-year period. Two departments ("Dep't" in column № 3), one of which was identified as a model ethics program by the Office of the Auditor General (OAG 2003), accounted for 14 of the 58 job advertisements, or almost a quarter of all job advertisements posted between 2006-09.

Finally, turning from an analysis of the results of Canadian public service ethics-related job advertisements, a profile of survey respondents is presented next.

4.2.2 Profile of Survey Respondents

Demographic data on survey respondents are presented in this section using descriptive statistics and a number of tools including custom Excel tables, SPSS frequency tables and bar charts, as well as the LimeSurvey statistical tools and outputs such as pie and bar charts.

4.2.2.1 Academics

Academics accounted for almost half (n=46, or 45 percent) of the survey respondents with one third (n=15, or 33 percent) being men aged 50 or above from the US holding a doctorate degree. The next most common demographic where women aged 50 or above from the US holding a doctorate degree (n=5, or 11 percent). However, overall nearly two-thirds of academic respondents were men (61 percent); were aged 50 or above (65 percent); were from the US (65 percent); had more than 10 years of experience in business ethics (61 percent); and found business ethics to be extremely important to their jobs (67 percent). Consistent with this demographic, a significant majority are highly educated, holding either a doctoral degree (78 percent) or Master's degree (20 percent). Moreover, just over half of the academics had a business background (54 percent) while the next two most popular backgrounds consisted of philosophy (15 percent) and law (11 percent), respectively.

Respondents were asked what best described their current job (question 9) which served as a countercheck question to respondents' organizational sector. The significant majority (n=41, or 89 percent) indicated they were professors/instructors with the next most popular answer being author, editor, or writer (n=3, or 7 percent) totalling 96 percent of academics. Similarly, respondents were asked to identify the various business ethics roles (identified in Chapter 2) they performed, independently of how frequently a role may be performed. Respondents could check more than one role. As a form of countercheck question, the significant majority of academics (n=41, or 89 percent) identified educator as a role, followed by scholar (n=33, or 72 percent) and advisor (n=12, or 26 percent) as the next two most popular roles.

Question 6 relating to the year experience in business ethics is a countercheck to question 2 on age group, to determine if respondents can be considered Subject Matter Experts (SMEs) with sufficient experience. For example, a SME would typically require a minimum of 5 years of experience in a given field. A sizeable majority of respondents (85 percent) are forty years old or above and a correspondingly large proportion (87 percent) have over 5 years of experience in business ethics and can therefore be considered SMEs.

Question 5 served to gauge the predominance of professional certifications in business ethics, and to uncover the breath of different certifications available. As one may expect from this demographic, no academics held any industry BE professional certifications such as the Certified Compliance & Ethics Professional (CCEP) or Certified Compliance Professional (CCP) designations. Instead, respondents held academic credentials such as PhDs (78 percent) or Master's degrees (20 percent).

Table 4-4 provides a summary of frequency counts (n=102), percentage of respondents, and cumulative total percentages for both demographic sectors (academic and industry), as well as a total for all respondents.

Table 4-4: BE competencies survey results - summary of respondents by sector

№	FACTOR	Academics			Practitioners			All Respondents		
		Count	%	Total %	Count	%	Total %	Count	%	Total %
1	**Gender**	46			56			102		
i	Female	18	39.1%	39.1%	21	37.5%	37.5%	39	38.2%	38.2%
ii	Male	28	60.9%	100.0%	35	62.5%	100.0%	63	61.8%	100.0%
2	**Age Group**	46			56			102		
i	Below 30	1	2.2%	2.2%	1	1.8%	1.8%	2	2.0%	2.0%
ii	30-39	6	13.0%	15.2%	8	14.3%	16.1%	14	13.7%	15.7%
iii	40-49	9	19.6%	34.8%	21	37.5%	53.6%	30	29.4%	45.1%
iv	50 or above	30	65.2%	100.0%	26	46.4%	100.0%	56	54.9%	100.0%
3	**Country of residence**	46			56			102		
i	Australia	2	4.3%	4.3%	0	0.0%	0.0%	2	2.0%	2.0%
ii	Canada	8	17.4%	21.7%	48	85.7%	85.7%	56	54.9%	56.9%
iii	New Zealand	0	0.0%	21.7%	0	0.0%	85.7%	0	0.0%	56.9%
iv	UK	2	4.3%	26.1%	0	0.0%	85.7%	2	2.0%	58.8%
v	US	30	65.2%	91.3%	4	7.1%	92.9%	34	33.3%	92.2%
vi	Other	4	8.7%	100.0%	4	7.1%	100.0%	8	7.8%	100.0%
	- Switzerland, Taiwan, UAE									
4	**Education Level**	46			56			102		
i	High School	0	0.0%	0.0%	1	1.8%	1.8%	1	1.0%	1.0%
ii	Diploma/Certificate	1	2.2%	2.2%	3	5.4%	7.1%	4	3.9%	4.9%
iii	Bachelor Degree	0	0.0%	2.2%	14	25.0%	32.1%	14	13.7%	18.6%
iv	Master's Degree	9	19.6%	21.7%	26	46.4%	78.6%	35	34.3%	52.9%
v	Doctorate Degree	36	78.3%	100.0%	11	19.6%	98.2%	47	46.1%	99.0%
vi	Other	0	0.0%	100.0%	1	1.8%	100.0%	1	1.0%	100.0%
5	**Prof. BE certification**	0			4			4		
i	CCEP	0	0.0%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
ii	CCP	0	0.0%	0.0%	1	25.0%	25.0%	1	25.0%	25.0%
iii	Other Certification	0	0.0%	0.0%	3	75.0%	100.0%	3	75.0%	100.0%
	- CPA, CPSC, Senior Professional in Human Resources (SPHR), others									
6	**BE Experience**	46			56			102		
i	None	3	6.5%	6.5%	2	3.6%	3.6%	5	4.9%	4.9%
ii	Less than 5 years	3	6.5%	13.0%	15	26.8%	30.4%	18	17.6%	22.5%
iii	5-10 years	12	26.1%	39.1%	27	48.2%	78.6%	39	38.2%	60.8%
iv	More than 10 years	28	60.9%	100.0%	12	21.4%	100.0%	40	39.2%	100.0%
7	**Prior Background**	46			56			102		
i	Always worked in BE	1	2.2%	2.2%	1	1.8%	1.8%	2	2.0%	2.0%
ii	Philosophy	7	15.2%	17.4%	4	7.1%	8.9%	11	10.8%	12.7%
iii	Theology/Religion	1	2.2%	19.6%	1	1.8%	10.7%	2	2.0%	14.7%

№	FACTOR	Academics			Practitioners			All Respondents		
		Count	%	Total %	Count	%	Total %	Count	%	Total %
iv	Business	20	43.5%	63.0%	20	35.7%	46.4%	40	39.2%	53.9%
v	Law	5	10.9%	73.9%	4	7.1%	53.6%	9	8.8%	62.7%
vi	Other	12	26.1%	100.0%	26	46.4%	100.0%	38	37.3%	100.0%
	- Business equivalent: HR (n=3), Management/Management Consulting (n=3), Administration / Public Administration (n=2), Accounting/Finance (n=3), Organizational Behaviour (n=1), Economics (n=2), Executive (n=1), Industrial Relations (n=1) **Total: n=16**									
	- Miscellaneous: Education (n=3), Political Science / Politics (n=2), Policy / Regulations (n=2), Military (n=2), Social Sciences (n=2), Communications (n=1), Operations (n=1), Diplomacy (n=1), Applied ethics (medical) (n=1), Supply Chain (n=1), Consulting (n=1), Law Enforcement (n=1), blank (n=2) **Total: n=22**									
	- Multi-Disciplinary: Philosophy & Business (n=2) **Total: n=2**									
8	**Organizational Sector**	46			56			102		
i	Academic Sector	46	100.0%	100.0%		0.0%	0.0%	46	45.1%	45.1%
ii	Private Sector		0.0%	100.0%	17	30.4%	30.4%	17	16.7%	61.8%
iii	Public Sector		0.0%	100.0%	36	64.3%	94.6%	36	35.3%	97.1%
iv	Non-Profit Sector		0.0%	100.0%	3	5.4%	100.0%	3	2.9%	100.0%
9	**Current Job**	46			56			102		
i	Professor/Instructor	41	89.1%	89.1%	1	1.8%	1.8%	42	41.2%	41.2%
ii	Author/Editor/Writer	3	6.5%	95.7%	1	1.8%	3.6%	4	3.9%	45.1%
iii	Consultant	1	2.2%	97.8%	16	28.6%	32.1%	17	16.7%	61.8%
iv	Officer/Advisor	0	0.0%	97.8%	5	8.9%	41.1%	5	4.9%	66.7%
v	Counsellor/Investigator	0	0.0%	97.8%	2	3.6%	44.6%	2	2.0%	68.6%
vi	Manager/Supervisor	1	2.2%	100.0%	6	10.7%	55.4%	7	6.9%	75.5%
vii	Executive/Director	0	0.0%	100.0%	20	35.7%	91.1%	20	19.6%	95.1%
viii	Other	0	0.0%	100.0%	5	8.9%	100.0%	5	4.9%	100.0%
	- Multi-Disciplinary: Author & Consultant (n=1)									
	- Miscellaneous: Peace Officer (n=1), Auditor/Investigator (n=1), Researcher (n=1), Senior Officer (n=1)									
10	**BE Job-Relevance**	46			56			102		
i	Extremely important	31	67.4%	67.4%	32	57.1%	57.1%	63	61.8%	61.8%
ii	Very important	7	15.2%	82.6%	18	32.1%	89.3%	25	24.5%	86.3%
iii	Important	6	13.0%	95.7%	4	7.1%	96.4%	10	9.8%	96.1%
iv	Somewhat important	2	4.3%	100.0%	2	3.6%	100.0%	4	3.9%	100.0%
v	Not important	0	0.0%	100.0%	0	0.0%	100.0%	0	0.0%	100.0%
11	**Ethics roles performed***	46			56			102		
i	Educator (Instructor)	41	89.1%		22	39.3%		63	61.8%	
ii	Investigator (Auditor)	4	8.7%		22	39.3%		26	25.5%	
iii	Counsellor (Advocate)	7	15.2%		20	35.7%		27	26.5%	
iv	Advisor (Consultant)	12	26.1%		39	69.6%		51	50.0%	
v	Manager (Leader)	1	2.2%		26	46.4%		27	26.5%	
vi	Scholar (Learner)	33	71.7%		19	33.9%		52	51.0%	
vii	Other	2	4.3%		1	1.8%		3	2.9%	
	- Leader Equivalent: (n=2)									
	- Expert Witness (n=1)									

* Multiple selections allowed
(*Source*: Analysis of survey data)

4.2.2.2 Industry Practitioners

Industry Practitioners accounted for over half (n=56, or 55 percent) of the survey respondents with the largest demographic (n=10, or 18 percent) being Canadian men aged 40-49 holding a Master's degree. The next most common demographic was Canadian men aged 50 or above holding a Master's degree (n=6, or 11 percent), together accounting for almost a third of respondents. However, overall a majority of respondents were men (63 percent); were aged 40 or above (84 percent); and were from Canada (86 percent). Moreover, two-thirds work in

government (64 percent) with the remaining third working primarily in the private sector (30 percent) with a very small minority representing the non-profit sector (5 percent). Nearly half of the industry practitioners had between 5 to 10 years of experience in business ethics (48 percent) and found business ethics to be extremely important to their jobs (57 percent). Also, two-thirds are highly educated, holding either a doctoral degree (20 percent) or Master's degree (46 percent). Consistent with this demographic, two-thirds of the practitioners had a business background (n=38, or 68 percent) while the next two most popular backgrounds consisted of philosophy (9 percent) and law (9 percent), respectively.

Respondents were asked what best described their current job that served as a countercheck to respondents' organizational sector. One third of respondents (36 percent) indicated they were executives with the next most popular answer being consultant (29 percent) totalling two-thirds (65 percent) of practitioners. The remaining third consisted of Managers (11 percent), Officers (11 percent), and others. Respondents were also asked to identify the various BE roles they performed, independently of how frequently a role may be performed. Respondents could check more than one role. A significant majority of practitioners (70 percent) identified advisor as their role, followed by manager (46 percent), educator and investigator (39 percent) each, then finally counsellor (36 percent) and scholar (34 percent).

Next, a large proportion (70 percent) have over 5 years of experience in BE and can therefore be considered SMEs. Finally, only one respondent held a Certified Compliance Professional (CCP) designation, although other non-ethics designations were also identified such as CPA.

4.2.2.3   All Respondents (Academics and Industry)

Having reported summary findings on academics and industry practitioners, this brief section highlights selected demographics for all respondents.

4.2.3 Gender

Nearly two-thirds (62 percent) of survey respondents were male, as reflected in **Table 4-5**. Similar tables were obtained for the other demographic variables using SPSS.

Table 4-5: Gender frequency table

		Frequency	Percent	Valid Percent	Cumulative Percent
	Female	39	38.2	38.2	38.2
Valid	Male	63	61.8	61.8	100.0
	Total	102	100.0	100.0	

(*Source*: Analysis of survey data using SPSS v20)

4.2.4 Age Group

Over half (54 percent) of the survey respondents were aged 50 or above, while almost another third (29 percent) were aged between 40 and 49, and a small minority (14 percent) being aged between 30 and 39 years old. Finally, only two percent, aged below 30 rounded out respondents, as reflected in **Figure 4-1**. Similar tables were obtained for the other variables.

Figure 4-1: Respondents' age group bar chart
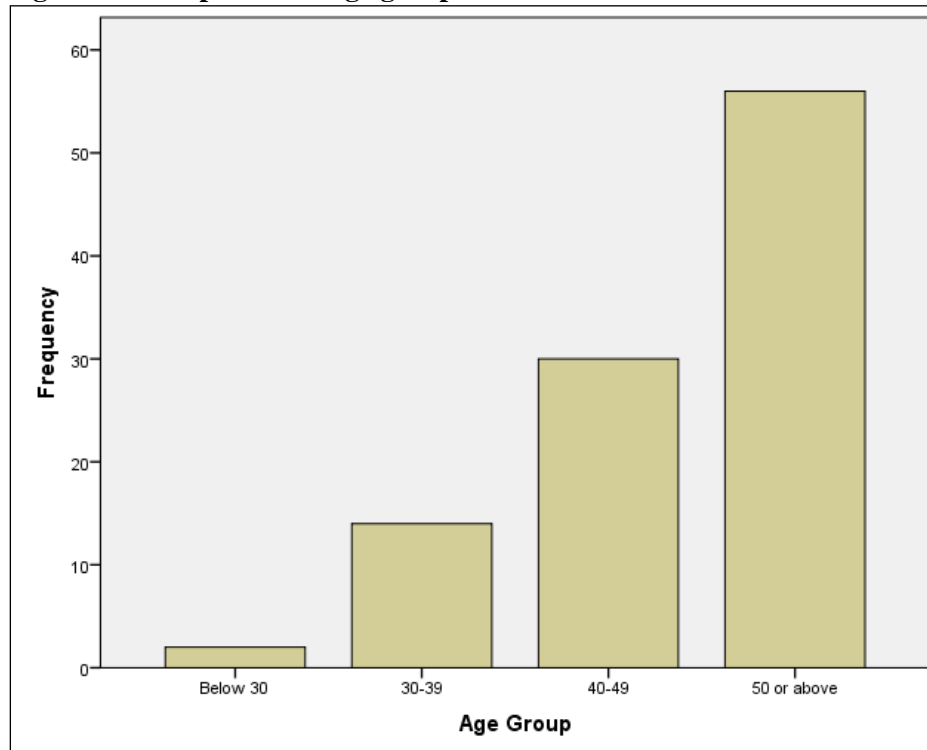
(*Source*: Analysis of survey data using SPSS v20)

4.2.5 Sector

Nearly half (45 percent) of the respondent were academics while the remaining industry practitioners consisted of public sector (35 percent), private sector (17 percent), and non-profit sector (3 percent) respondents as depicted in **Figure 4-2**. Similar output was obtained for the other demographic variables.

Figure 4-2: Survey respondents by sector

Field summary for Q8		
8. Your organization's type/sector?		
Answer	**Count**	**Percentage**
Academic Institution (ACI)	46	45.10%
For-Profit Organization (Private Sector) (COR)	17	16.67%
Government Organization (Public/Civil Sector) (GOV)	36	35.29%
Non-Profit Organization (Voluntary Sector) (NPO)	3	2.94%
No answer	0	0.00%
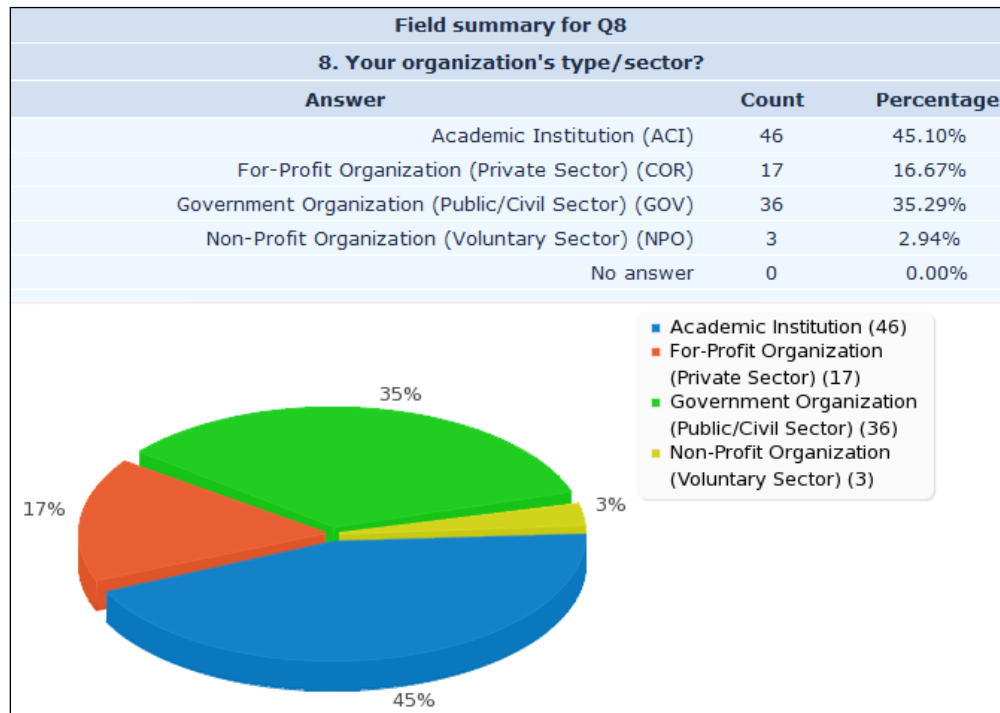
(*Source*: Analysis of survey data using LimeSurvey v1.92)

Turning from descriptive statistics on the research subjects—demographic variables of survey respondents and Canadian public service selection processes for ethics-related positions, presentation of the results, data analysis, and interpretation against each research issue follows, to address the research question from Chapter 1 stated as:

> *What competencies are important for job performance of business ethics practitioners in industry and how do their perceptions compare with those of academics?*

4.3   Research Issue 1: KSAOs Important to BE Practitioners

Given the number of knowledge, skills, abilities, and traits explored (61 KSAOs), this section first looks at knowledge (26 elements) separately, following by skills, abilities, and traits (35 elements) to facilitate data presentation. Besides, knowledge-based competencies are typically treated differently than behavioural competencies such as skills and abilities and personal characteristics such as traits in job advertisements and training and developmental programs and therefore separate presentation is further warranted.

4.3.1   Document Analysis Data – Practitioners' Views of Knowledge

This section presents the practitioners' views of important BE competencies reflected within a total of eighty-six industry publications (n=86) composed of sixteen private sector (n=16) and seventy public sector (n=70) texts. Moreover, given the significant number of Canadian

federal public service job advertisements for Ethics Officials (n=58) analysed, particular

emphasis is placed on this sub-sector. **Table 4-6** provides a rank ordering, frequency count,

and percentage for industry practitioners ("Industry Total" columns) and constituent elements

of public sector documents ("Public Service" columns), Canadian federal public service job

advertisements ("GC PS" columns), and private sector documents ("private sector" columns).

In the aggregate, industry practitioners mentioned *organizational policies and instruments*

most frequently (72 percent), followed by *legislation* (47 percent), and *organizational values*

and culture (44 percent), as depicted in column № 3 (Industry Total Rank) in **Table 4-6**.

Table 4-6: Knowledge elements reflected within industry publications

№	Competency	Industry Total			Public Service			GC PS (Job Ads)			Private Sector		
		Rank	Count n=86	%	Rank	Count n=12	%	Rank	Count n=58	%	Rank	Count n=16	%
	General Knowledge												
1	Cases	18	8	9%	11	3	25%	14	1	2%	17	4	25%
2	CSR	15	10	12%	12	2	17%	16	0	0%	5	8	50%
3	Decision-making framework	15	10	12%	12	2	17%	12	5	9%	23	3	19%
4	Int'l Instruments	20	7	8%	17	1	8%	16	0	0%	9	6	38%
5	Legislation	2	40	47%	5	5	42%	2	29	50%	9	6	38%
6	Principles	8	17	20%	9	4	33%	8	8	14%	14	5	31%
7	Terminology	22	5	6%	12	2	17%	16	0	0%	23	3	19%
8	Theories	11	12	14%	24	0	0%	7	9	16%	23	3	19%
9	Values	7	19	22%	2	6	50%	9	7	12%	9	6	38%
	BE Issues												
10	Current	5	23	27%	5	5	42%	5	10	17%	5	8	50%
11	Emergent	21	6	7%	24	0	0%	13	2	3%	17	4	25%
12	Environmental	18	8	9%	17	1	8%	16	0	0%	8	7	44%
13	General misconduct	10	13	15%	2	6	50%	14	1	2%	9	6	38%
14	International	13	11	13%	17	1	8%	16	0	0%	2	10	63%
15	Inter-organizational	22	5	6%	17	1	8%	16	0	0%	17	4	25%
	Functional BE Issues												
16	Accounting & Finance	11	12	14%	12	2	17%	9	7	12%	23	3	19%
17	HRM	4	28	33%	9	4	33%	4	19	33%	14	5	31%
18	ICT	22	5	6%	17	1	8%	16	0	0%	17	4	25%
19	Marketing & Sales	22	5	6%	24	0	0%	16	0	0%	14	5	31%
20	Procurement	22	5	6%	17	1	8%	16	0	0%	17	4	25%
	Org. Knowledge												
21	Org. Values and Culture	3	38	44%	5	5	42%	3	23	40%	2	10	63%
22	Org. Policies/Instruments	1	62	72%	1	8	67%	1	43	74%	1	11	69%
23	Org. Plans and Priorities	9	15	17%	17	1	8%	5	10	17%	17	4	25%
24	Org. Ethics Program	6	22	26%	2	6	50%	11	6	10%	2	10	63%
25	Org. Rewards / Sanctions	13	11	13%	5	5	42%	16	0	0%	9	6	38%
26	Org. Ethical Risk Areas	15	10	12%	12	2	17%	16	0	0%	5	8	50%

(*Source*: Developed for this study using industry document analysis data)

4.3.1.1   Important knowledge within the public sector

Of the seventy public sector (n=70) texts analysed for the presence of *organizational policies*

and instruments, (Table 4-6, row № 22), eight (67 percent) public service documents (cell

highlighted in blue in column № 7), mentioned this knowledge component. Similarly, forty-

three (74 percent) Canadian public service job advertisements (cell highlighted in purple in column № 10), mentioned this item.

The seventy public sector documents analysed are further reflected in **Table 4-7**. Keeping with the colour scheme introduced above (blue highlight for public sector documents and purple highlight for Canadian PS job advertisements), **Table 4-7** indicates by a checkmark (✓) the eight documents where *organizational policies and instruments*, was mentioned.

Table 4-7: Seventy public sector documents analysed for presence of competencies

KSAO	Rank	Job Ads n=58	Study	Surveys				Codes of Ethics					Gloss.	Comp. Profile	n=70
		GC PS 2006-2011	Kernaghan 2007	ERC 2008 NGES	OECD PUMA 1999	OECD 2000	Arthur Andersen 2000	AU (APSC 2009)	CA (TBS 2003)	NZ (SSC 2007)	UK (CO 2010)	US (OGE 2009)	PWGSC 2000	TBS 2001	Total Count
Org. Policies	1	43	✓	✓	✓	✓	✓			✓			✓	✓	51
Judgement	2	41	✓	✓					✓		✓		✓	✓	47
Oral Comms	2	44						✓	✓					✓	47

(*Source*: Developed for this study using industry document analysis data; abridged)

Similarly, the 43 counts of *organizational policies and instruments* within the Canadian public service job advertisements were recorded in a more granular coding sheet first introduced in Chapter 3, and is further reflected in purple highlight in the bottom-right cell of **Table 4-8**.

Table 4-8: Extract from the data-coding sheet for Canadian PS job advertisements

	Competencies	Ad #1	...	Ad #58	Count
Knowledge of Org. Policies & Instruments (Directives, Standards, Best Practices, Guidelines)					
/	Knowledge of Values and Ethics Code for the PS and other related [government] policies.		*		1
/	Knowledge of the Government of Canada's policies and practices related to values and ethics, [including conflict of interest issues.]	*		[*]	2
/	Knowledge of values and ethics-related policies in the federal public service.				1
	…				5
Knowledge of Org. Policies & Instruments	**TOTALS**	1	1	1	**43**

(*Source*: Developed for this study using industry document analysis data; abridged)

Traceability mapping. Having explored successive layers of granularity starting from Tables 4-6 to 4-8, a *traceability mapping*—a construct borrowed from the Risk Management parent theory, was introduced. This traceability mapping starts, for example, with the 43 counts of *organizational policies and instruments* occurring within the Canadian public service job advertisements

coded in a data-coding sheet depicted in **Table 4-8**. This frequency count of 43 is then added with the eight additional occurrences within other public service documents shown in **Table 4-7** (Total count = 51) to finally be aggregated with 11 other occurrences in other private sector documents for an total frequency count of 62 (out of 86 possible occurrences), depicted in **Table 4-6**, resulting in the top rank of important knowledge for industry practitioners.

Using data from **Table 4-6**, important knowledge perceived by practitioners as reflected in 86 documents, in decreasing order of importance, is presented in **Figure 4-3**. This figure shows that after five knowledge elements (depicted with a vertical line) of *organizational policies and instruments* (rank № 1), *legislation*, *organizational values and culture*, *Human Resource Management (HRM) issues*, and *current ethical issues* (rank № 5), there is a gradual and steady decline in importance in the other knowledge elements.

Figure 4-3: Important knowledge perceived by practitioners according to a document analysis
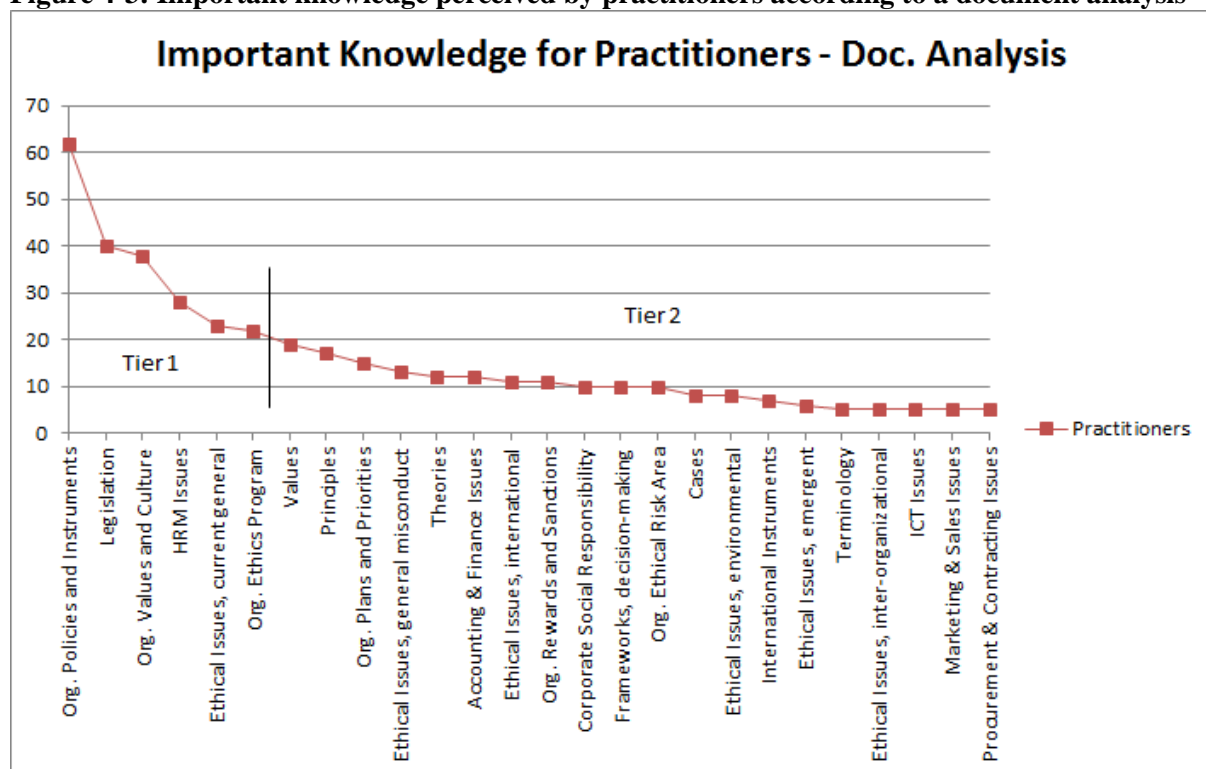
(*Source*: Developed for this study using industry document analysis data)

4.3.2 Document Analysis Data – Practitioners' Views of Skills, Abilities & Traits

In the interests of brevity, important skills, abilities, and traits perceived by practitioners as reflected in 86 documents, in decreasing order of importance, are presented in **Figure 4-4**.

Supporting information is based on similar tables and data reflected under the previous section on important knowledge. This figure shows that after eleven skills, abilities, and traits (depicted with a vertical line) of *judgement and decision-making* (rank № 1), *oral communications*, *advising*, *written communications*, *analytical thinking*, *training*, *integrity*, *discretion*, and *collaboration*, *flexibility*, and *self-driven* (ranked № 9), there is a gradual and steady decline in importance in the other skills, abilities, and traits.

Figure 4-4: Important skills/traits perceived by practitioners according to a document analysis

(*Source*: Developed for this study using industry document analysis data)

Turning from important KSAOs perceived by practitioners as reflected within various industry publications, the next section presents important KSAOs perceived by practitioners from the data collected via the second research methodology, an online survey.

4.3.3 Survey Data – Practitioners' Views of Knowledge

Question № 12 on the survey instrument explored perceptions of important knowledge and respondents' answers are summarized in **Table 4-9** in terms of rank and mean scores.

Table 4-9: Mean and rank scores for practitioner and academic survey respondents

№	Knowledge	Practitioners		Academics		Total	
		Rank	Mean	Rank	Mean	Rank	Mean
1	Cases	13	3.91	13	4.13	13	4.01
2	Corporate Social Responsibility	21	3.46	9	4.17	18	3.78
3	Frameworks, decision-making	5	4.21	1	4.43	3	4.31
4	International Instruments	20	3.52	23	3.78	22	3.64
5	Legislation	16	3.71	21	3.87	18	3.78
6	Principles	6	4.20	16	4.02	9	4.12
7	Terminology	16	3.71	26	3.59	20	3.66
8	Theories	25	3.20	23	3.78	26	3.46
9	Values	2	4.38	9	4.17	4	4.28
10	Ethical Issues, current general	3	4.36	3	4.37	2	4.36
11	Ethical Issues, emergent	10	3.98	8	4.20	10	4.08
12	Ethical Issues, environmental	24	3.27	15	4.11	21	3.65
13	Ethical Issues, general misconduct	9	4.14	7	4.22	8	4.18
14	Ethical Issues, international	25	3.20	21	3.87	25	3.50
15	Ethical Issues, inter-organizational	22	3.30	23	3.78	24	3.52
16	Accounting & Finance Issues	19	3.68	6	4.26	14	3.94
17	HRM Issues	6	4.20	3	4.37	5	4.27
18	ICT Issues	18	3.70	20	4.00	17	3.83
19	Marketing & Sales Issues	23	3.29	16	4.02	23	3.62
20	Procurement & Contracting Issues	15	3.82	16	4.02	16	3.91
21	Org. Values and Culture	1	4.61	1	4.43	1	4.53
22	Org. Policies and Instruments	4	4.34	11	4.15	6	4.25
23	Org. Plans and Priorities	11	3.93	13	4.13	12	4.02
24	Org. Ethics Program	11	3.93	11	4.15	11	4.03
25	Org. Rewards and Sanctions	14	3.88	16	4.02	14	3.94
26	Org. Ethical Risk Area	8	4.18	5	4.28	7	4.23

(*Source*: Developed for this study using survey data)

Table 4-9 shows that the top nine ranked knowledge items for practitioners were *organizational values and culture* (rank № 1), *ethical values* (№ 2), *current ethical issues* (№ 3), *organizational ethical policies and instruments* (№ 4), *ethical decision-making frameworks* (№ 5), *ethical principles* (№ 6), *ethical issues relating to human resources management* (№ 6), *organizational ethical risk areas* (№ 6), and *ethical issues of general misconduct* (№ 9). All these items had a mean score over 4 on the 5-pt Likert scale indicating these were deemed "very important" knowledge items by practitioners on the survey.

Depicted graphically in decreasing order of perceived importance to practitioners, **Figure 4-5** shows the mean scores of the various knowledge elements from the survey data. Those items to the left of the vertical solid line had a mean score over 4 out of a possible high score of 5.

Figure 4-5: Important knowledge perceived by practitioners according to the online survey
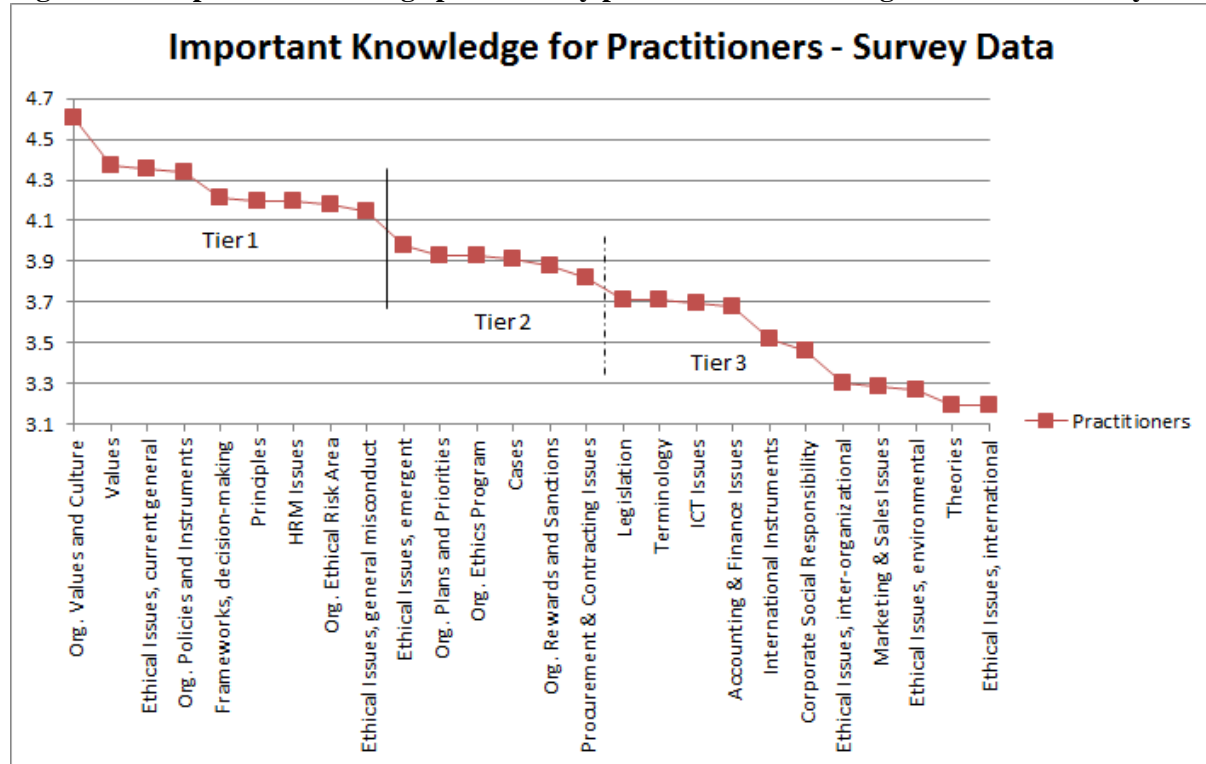
(*Source*: Developed for this study using survey data on practitioners)

Further, those items between the solid and dashed lines of **Figure 4-5** had a mean score in the high 3's and can also deemed significantly more "important" than the rest of the items. These second tier, almost "very important" knowledge items with a mean score of 3.82 or higher include: *emergent ethical issues* (№ 10), *organizational plans and priorities* (№ 11), *organizational ethics programs* (№ 11), *ethical cases* (№ 13), *organizational rewards and sanctions* (№ 14), and *ethical issues surrounding procurement and contracting* (№ 15).

4.3.4 Survey Data – Practitioners' Views of Skills, Abilities & Traits

Turning from practitioners' views of important knowledge, Question 14 explored perceptions of important skills, abilities, and traits and respondents' answers are summarized in **Table 4-10**.

Table 4-10: Mean and rank scores for practitioner and academic survey respondents

№	Skills, abilities, and traits	Practitioners Rank	Practitioners Mean	Academics Rank	Academics Mean	Total Rank	Total Mean
1	Analytical Thinking	6	4.52	4	4.57	4	4.54
2	Judgement & Decision-Making	3	4.64	2	4.65	2	4.65
3	Active Listening	11	4.38	6	4.41	10	4.39
4	Oral Communications	14	4.25	7	4.39	11	4.31
5	Written Communications	15	4.21	12	4.22	15	4.22
6	Advising	12	4.36	12	4.22	12	4.29
7	Collaboration	18	4.14	17	4.09	17	4.12
8	Empathy	23	4.05	15	4.17	18	4.11
9	Fairness	6	4.52	7	4.39	8	4.46
10	Networking	33	3.63	34	3.54	34	3.59
11	Persuasion	34	3.54	26	3.76	33	3.64
12	Respectful	2	4.70	10	4.30	5	4.52
13	Sharing	23	4.05	25	3.78	25	3.93
14	Tactful	19	4.09	21	3.91	20	4.01
15	Flexible	32	3.73	30	3.70	31	3.72
16	Personally Responsible	8	4.48	10	4.30	9	4.40
17	Responsive	26	3.93	28	3.74	27	3.84
18	Self-Confidence	21	4.07	22	3.83	21	3.96
19	Self-Control	19	4.09	17	4.09	19	4.09
20	Self-Development	28	3.89	31	3.67	28	3.79
21	Self-Driven	31	3.75	33	3.59	32	3.68
22	Stress Tolerance	25	3.95	20	3.98	21	3.96
23	Counselling	35	3.43	35	3.22	35	3.33
24	Environmental Scanning	29	3.79	29	3.72	30	3.75
25	Investigative	30	3.77	26	3.76	29	3.76
26	Risk Management	16	4.18	32	3.65	24	3.94
27	Training	26	3.93	23	3.80	26	3.87
28	Championing	21	4.07	23	3.80	23	3.95
29	Discrete	4	4.57	9	4.37	6	4.48
30	Honest	4	4.57	3	4.59	3	4.58
31	Impartial	10	4.46	19	4.07	13	4.28
32	Integrity	1	4.71	1	4.67	1	4.70
33	Respectable	13	4.32	14	4.20	14	4.26
34	Trustworthy	8	4.48	5	4.48	6	4.48
35	Transparent	16	4.18	15	4.17	16	4.18

(*Source*: Developed for this study using survey data)

Table 4-10 shows that the top twenty-four ranked skills, abilities, and traits for practitioners ranged from *integrity* (rank № 1) to *sharing* (№ 23). All these items had a mean score over 4 on the 5-pt Likert scale indicating these were deemed "very important" skills, abilities, and traits by practitioners on the survey.

Depicted graphically in decreasing order of perceived importance to practitioners, **Figure 4-6** shows the mean scores of the various skills, abilities, and traits from the survey data. Items to the left of the vertical solid line had a mean score over 4 out of a possible high score of 5.

Figure 4-6: Decreasing ranked importance of skills, abilities and traits perceived by BE practitioners
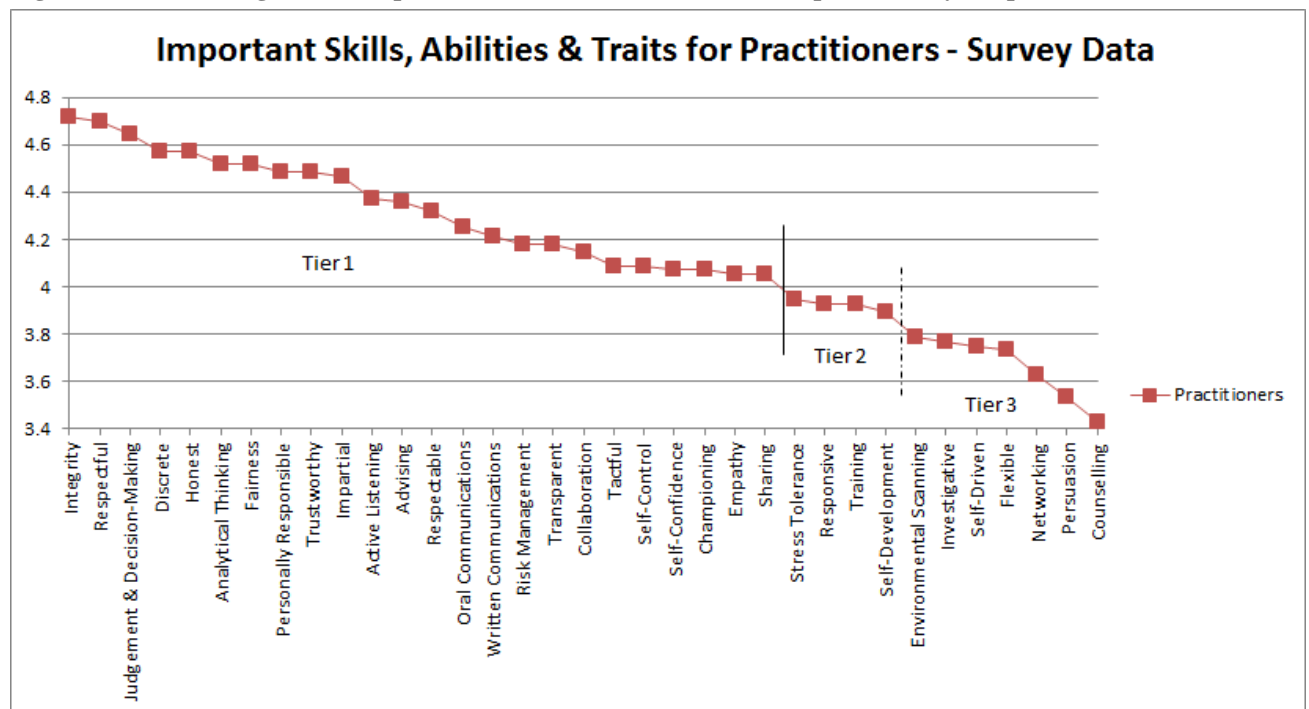
(*Source*: Developed for this study using survey data on practitioners)

Additionally, those items between the solid and dashed lines of **Figure 4-6** had a mean score in the high 3's and can also deemed significantly more "important" than the rest of the items. These second tier, almost "very important" skills, abilities, and traits with a mean score of 3.89 or higher include: *stress tolerance* (№ 25), *responsiveness* (№ 26), *ethics training* (№ 26), and *self-development* (№ 28).

4.4   Research Issue 2: KSAOs Important to BE Academics

Turning from the first research issue on important KSAOs to business ethics practitioners, this section examines the perceived importance of competencies by academics, first from documentary evidence, and second from the survey data.

4.4.1   Document Analysis Data – Academics' Views of Knowledge

Procedures used to organize, synthesize, analyse and critically evaluate knowledge elements within academic publications are similar to those used for industry publications, however the number of academic publications analysed was significantly smaller (n=21) in contrast to the eighty-six industry publications (n=86) analysed.

Table 4-11 provides a rank ordering, frequency count, and percentage for each knowledge element listed within academic documents. The most frequent knowledge items included *international business ethics issues* (76 percent), followed by *human resources management ethical issues* (71 percent), and *accounting and finance ethical issues* (67 percent).

Table 4-11: Knowledge elements reflected within academic publications

		Academic Sector		
	Competency	Rank	Count n=21	%
№	**General Knowledge**			
1	Cases	6	11	52%
2	CSR	9	9	43%
3	Decision-making framework	20	6	29%
4	Int'l Instruments	20	6	29%
5	Legislation	11	8	38%
6	Principles	11	8	38%
7	Terminology	17	7	33%
8	Theories	7	10	48%
9	Values	17	7	33%
	BE Issues			
10	Current	11	8	38%
11	Emergent	25	2	10%
12	Environmental	4	13	62%
13	General misconduct	11	8	38%
14	International	1	16	76%
15	Inter-organizational	17	7	33%
	Functional BE Issues			
16	Accounting & Finance	3	14	67%
17	HRM	2	15	71%
18	ICT	7	10	48%
19	Marketing & Sales	4	13	62%
20	Procurement	23	3	14%
	Org. Knowledge			
21	Org. Values and Culture	11	8	38%
22	Org. Policies/Instruments	9	9	43%
23	Org. Plans and Priorities	25	2	10%
24	Org. Ethics Program	11	8	38%
25	Org. Rewards / Sanctions	20	6	29%
26	Org. Ethical Risk Areas	23	3	14%

(*Source*: Developed for this study using industry document analysis data)

Using data from **Table 4-11**, important knowledge perceived by academics as reflected in 21 documents, in decreasing order of importance, is presented in **Figure 4-7**. This figure shows that after six knowledge elements (depicted with a vertical line) of *international BE issues* (rank № 1), *Human Resource Management (HRM) BE issues* (№ 2), *Accounting and financial BE issues* (№ 3), *environmental BE issues* (№ 4), *marketing and sales BE issues* (№ 4), and *cases* (№ 6), there is a gradual and steady decline in importance in the other knowledge elements, each with a frequency of less than 50 percent of the documents.

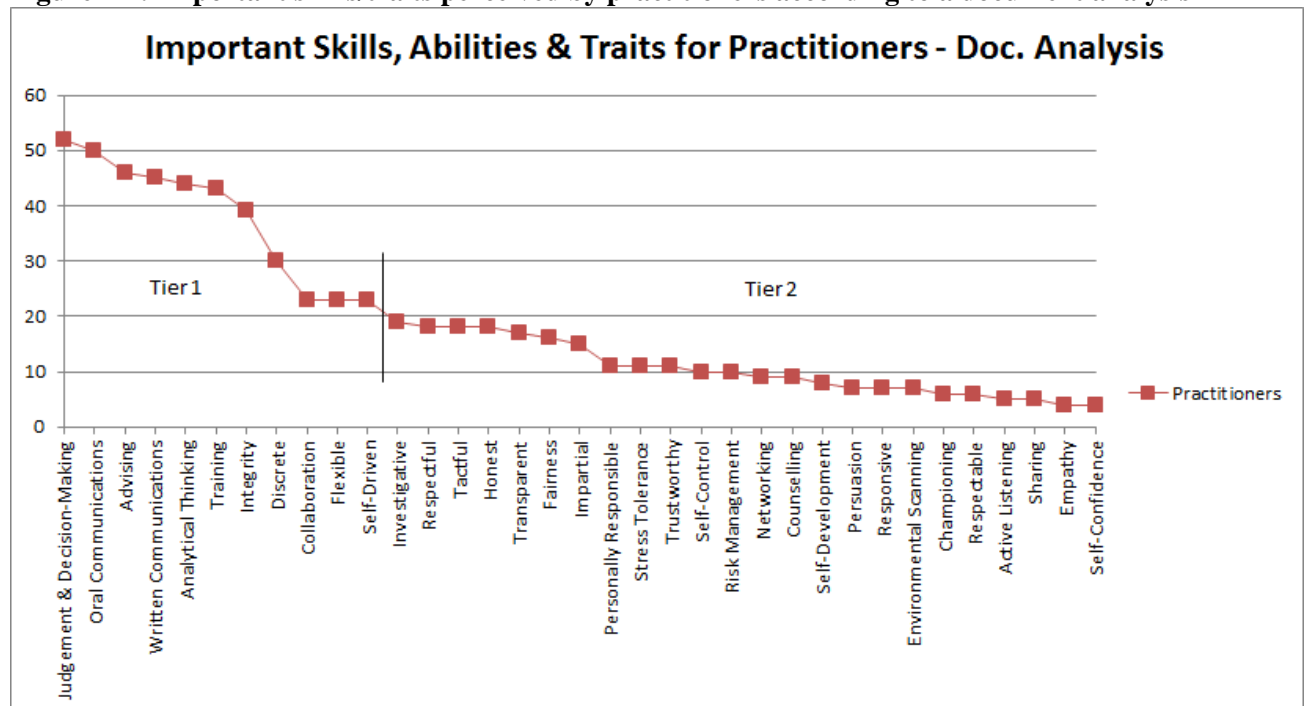**Figure 4-7: Important knowledge perceived by academics according to a document analysis**
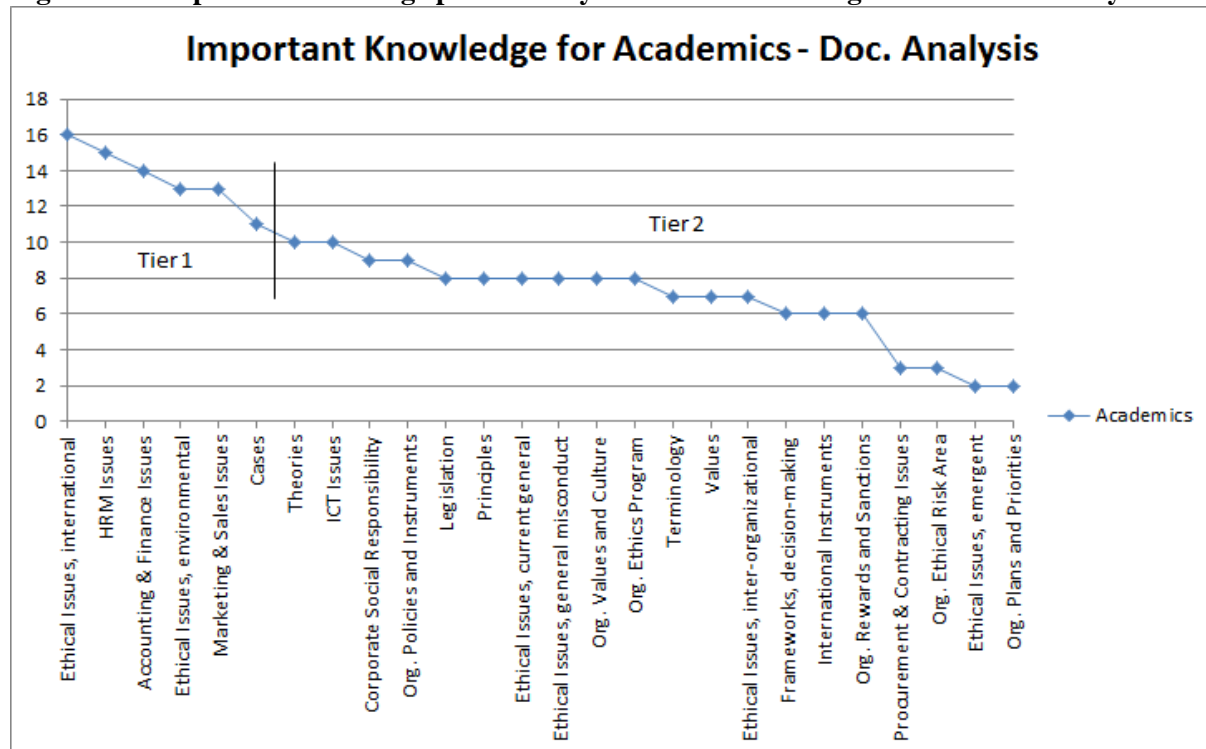
(*Source*: Developed for this study using industry document analysis data)

4.4.2 Document Analysis Data – Academics' Views of Skills, Abilities & Traits

For brevity, important skills, abilities, and traits perceived by academics as reflected in 21 documents, in decreasing order of importance, are presented in **Figure 4-8**. Supporting information is based on similar tables and data as reflected under the previous section on important knowledge. However, unlike the figure previously depicting knowledge elements, this figure is very stratified, most likely due to the low frequency counts encountered for skills, abilities, and traits within academic documents. Specifically, the narrow range of frequency counts lies between (out of a possible 21), a maximum of five and a minimum of zero for fifteen skills, abilities, and traits. However, low frequency counts for skills, abilities, and traits are not altogether surprising, as academic documents tend to focus primarily on knowledge versus ways of instilling skills or developing abilities for instance. Finally, given these low frequencies, gauging the relative importance of skills, abilities, and traits becomes problematic and inconclusive.

Figure 4-8: Important skills/traits perceived by academics according to a document analysis
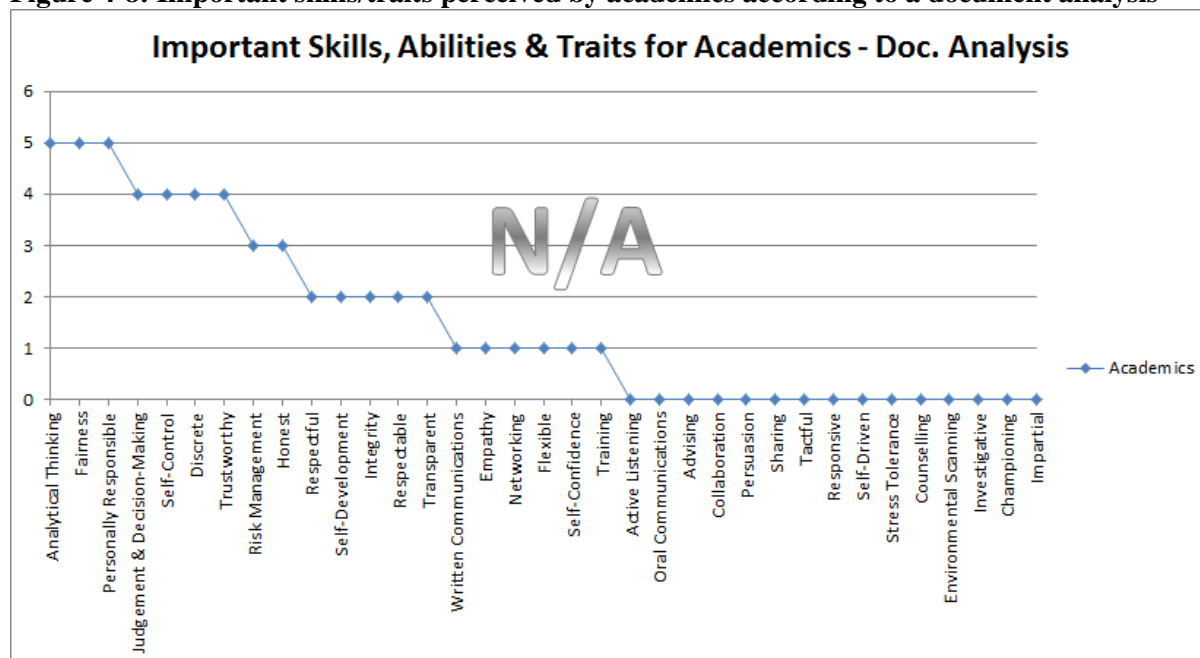
(*Source*: Developed for this study using industry document analysis data)

Turning from important KSAOs perceived by academics as reflected within various academic publications, the next section presents important KSAOs perceived by academics from the data collected via the second research methodology, an online survey.

4.4.3 Survey Data – Academics' Views of Knowledge

Question № 12 on the survey instrument explored perceptions of important knowledge and respondents' answers were previously summarized in **Table 4-9** in terms of rank and mean scores. Table 4-9 shows that the top ranked knowledge items for academics were *ethical decision-making frameworks* and *organizational ethical values and culture* (both ranked № 1), *current ethical issues* and *ethical issues relating to human resources management* (both ranked № 3), all the way to *information and communications (ICT) ethics issues* (№ 20). All of these tier-one items had a mean score over 4 on the 5-pt Likert scale indicating these were deemed "very important" knowledge items by academics on the survey.

Depicted graphically in decreasing order of perceived importance to academics, **Figure 4-9** shows the mean scores of the various knowledge elements from the survey data. Those items to the left of the vertical solid line had a mean score over 4 out of a possible high score of 5.

Figure 4-9: Decreasing ranked importance of knowledge as perceived by BE academics
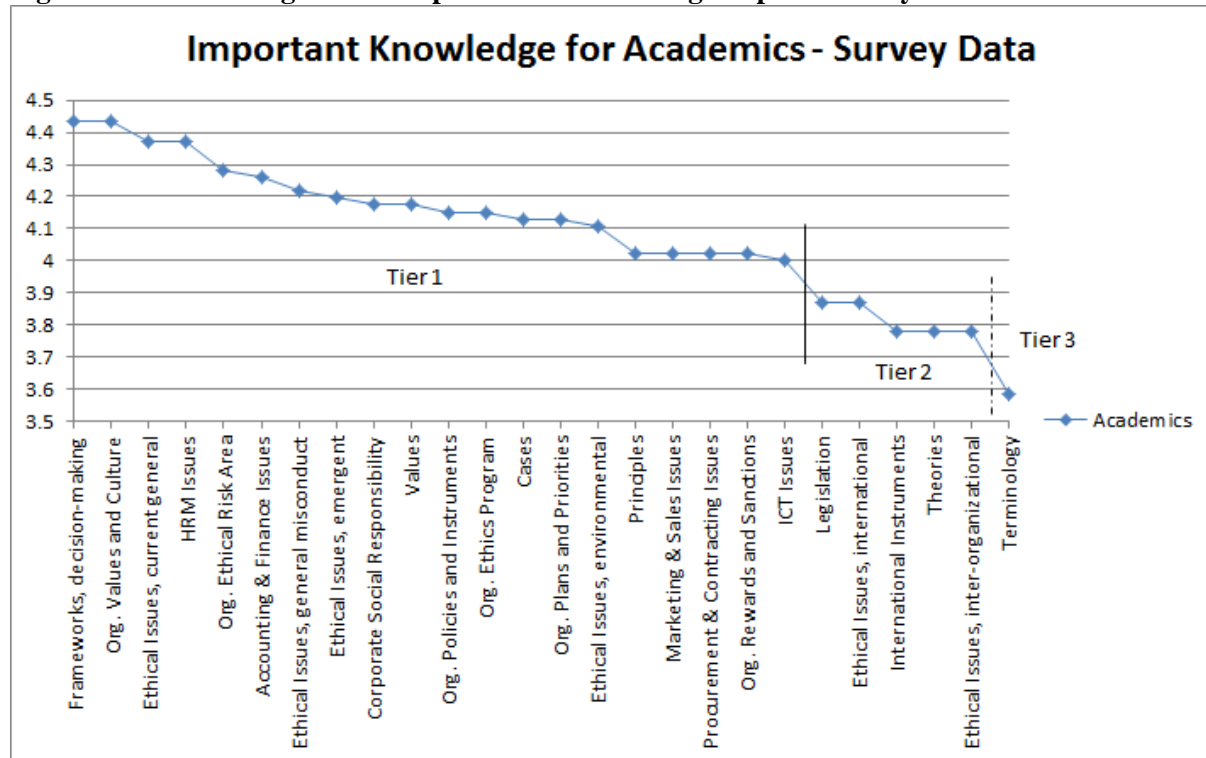
(*Source*: Developed for this study using survey data on academics)

In addition, those items between the solid and dashed lines of **Figure 4-9** had a mean score in the high 3's and can also deemed significantly more "important" than the rest of the items. These second-tier almost "very important" knowledge items with a mean score of 3.78 or higher include: *legislation* and *international ethical issues* (both ranked № 21), and *international BE issues*, *BE theories*, and *inter-organizational BE issues* (all ranked № 23). Finally, *terminology* is the only third-tier item, ranking № 26 with a mean score of 3.59.

4.4.4 Survey Data – Academics' Views of Skills, Abilities & Traits

Turning from academics' views of important knowledge, Question 14 explored perceptions of important skills, abilities, and traits and respondents' answers were previously summarized in **Table 4-10** which showed that the top twenty ranked skills, abilities, and traits for academics ranged from *integrity* (rank № 1) to *impartial* (№ 19). All these first-tier items had a mean score over 4 on the 5-pt Likert scale indicating these were deemed "very important" skills, abilities, and traits by academics on the survey.

Depicted graphically in decreasing order of perceived importance to academics, **Figure 4-10** shows the mean scores of the various skills, abilities, and traits from the survey data. Items to the left of the vertical solid line had a mean score over 4 out of a possible high score of 5.

Figure 4-10: Decreasing ranked importance of skills, abilities and traits perceived by BE academics
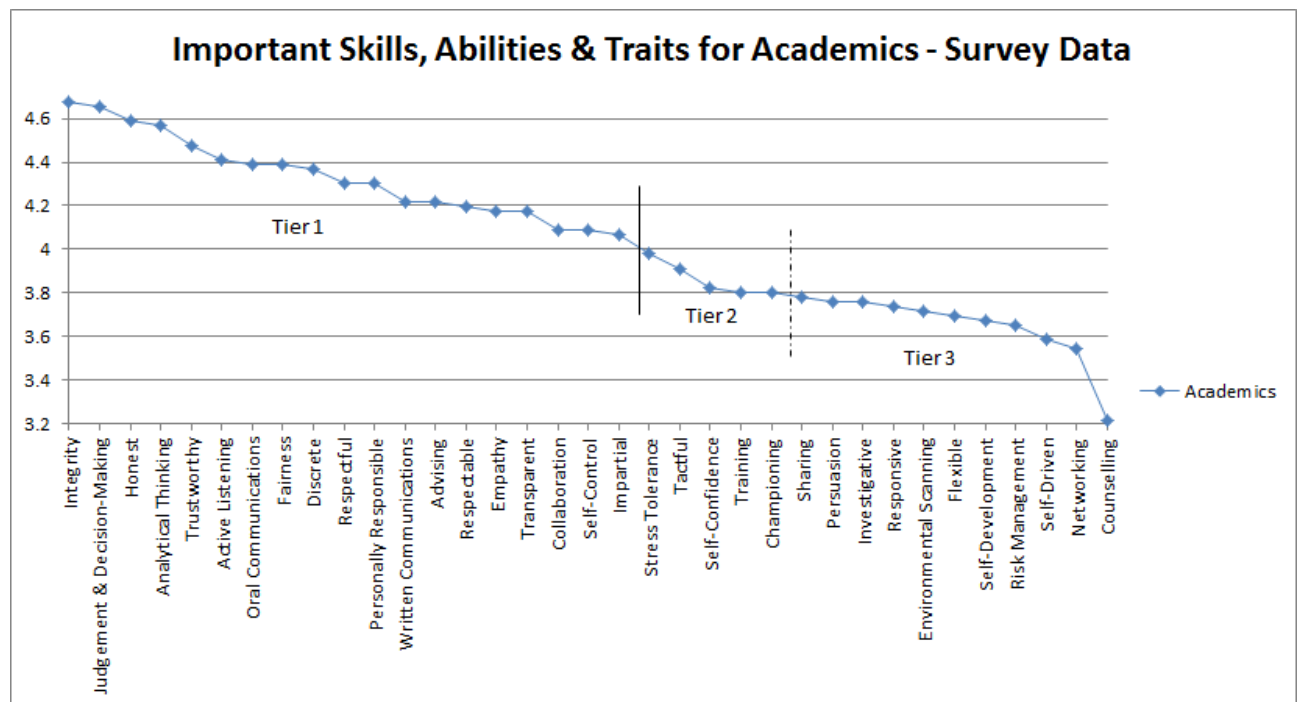
(*Source*: Developed for this study using survey data on academics)

Further, those items between the solid and dashed lines of **Figure 4-10** had a mean score in the high 3's and can also deemed significantly more "important" than the rest of the items. These second tier almost "very important" skills, abilities, and traits with a mean score of 3.80 or higher include: *stress tolerance* (№ 20), *tactful* (№ 21), *self-confidence* (№ 22), and *training* and *championing* (both ranked № 23). Finally, the lowest scoring mean (3.22) in the third-tier skills, abilities, and traits consisted of counselling (№ 35).

4.5 Research Issue 3: Perceived differences of important KSAOs

This section presents the perceived differences in important business ethics competencies by comparing and contrasting the opinions of academics and industry practitioners as reflected within the literature (document analysis) and through questionnaire responses (survey).

4.5.1 Document Analysis Data

(1) Knowledge-Based Competencies

The number of documents analysed for each sector is materially different due in large part to the nature of academic publications (n=21) which consisted mostly of lengthier textbooks and research articles versus the number of industry texts (n=86) which consisted primarily of shorter job advertisements (n=58). Moreover, the spread in frequency counts for the academic sector is small (max. 16, min. 2, spread = 14, **Table 4-12**) in contrast to the spread of

frequency counts for practitioners (max. 62, min. 5, spread = 57) and therefore many ties resulted in the rankings of knowledge for academics. For example, six items (*legislation*, *principles*, *current ethical issues*, *general misconduct*, *organizational values and culture*, and *organizational ethics programs*) all ranked № 11 as depicted in **Table 4-12**. For these reasons, only those knowledge items where academic texts scored higher in frequency count by at least five or more than practitioner frequency counts—depicted with the yellow highlighted bold text and yellow star next to the competency—are of particular interest since the sample of academic texts is materially smaller than the practitioner texts.

Table 4-12: Frequency and rankings for knowledge-based competencies by sector

№	Knowledge	Academics Count n=21	Academics Rank	Practitioners Count n=86	Practitioners Rank	Total Count n=107	Total Rank	|Δ| Rank
1	Cases	11	6	8	18	19	14	12
2	Corporate Social Responsibility	9	9	10	15	19	14	6
3	Frameworks, decision-making	6	20	10	15	16	19	5
4	International Instruments	6	20	7	20	13	21	0
5	Legislation	8	11	40	2	48	2	9
6	Principles	8	11	17	8	25	10	3
7	Terminology	7	17	5	22	12	23	5
8	Theories	10	7	12	11	22	11	4
9	Values	7	17	19	7	26	8	10
10	Ethical Issues, current general	8	11	23	5	31	5	6
11	Ethical Issues, emergent	2	25	6	21	8	25	4
12	Ethical Issues, environmental	13†	4	8	18	21	12	14
13	Ethical Issues, general misconduct	8	11	13	10	21	12	1
14	Ethical Issues, international	16†	1	11	13	27	7	12
15	Ethical Issues, inter-organizational	7	17	5	22	12	23	5
16	Accounting & Finance Issues	14	3	12	11	26	8	8
17	HRM Issues	15	2	28	4	43	4	2
18	iCT Issues	10†	7	5	22	15	20	15
19	Marketing & Sales Issues	13†	4	5	22	18	16	18
20	Procurement & Contracting Issues	3	23	5	22	8	25	1
21	Org. Values and Culture	8	11	38	3	46	3	8
22	Org. Policies and Instruments	9	9	62	1	71	1	8
23	Org. Plans and Priorities	2	25	15	9	17	17	16
24	Org. Ethics Program	8	11	22	6	30	6	5
25	Org. Rewards and Sanctions	6	20	11	13	17	17	7
26	Org. Ethical Risk Area	3	23	10	15	13	21	8
	Max	16		62		71		
	Min	2		5		8		
	Spread	14		57		63		

† Academic frequency count ≥ 5 than practitioner frequency count
(*Source*: Developed for this research using document analysis data)

Table 4-12 shows that four knowledge-based competencies meet the criterion of having more academic emphasis than reflected in the practitioner texts (i.e., academic frequency ≥ 5 than practitioner frequency) from a <u>frequency count perspective</u>. These are: *environmental BE*

issues, *international BE issues*, *information and communications technology (ICT) BE issues*, and *marketing and sales BE issues*. Likewise, from a ranking perspective, *cases* (row № 1) also have more academic emphasis than reflected in practitioner texts while *organizational plans and priorities* (row № 23) have less academic emphasis than reflected in practitioner texts. These six knowledge-based competencies with materially different frequencies or rankings have an absolute rank difference greater than 10 shown in the (|Δ|) column and are also depicted graphically in **Figure 4-11** by a gold star (⭐).

Figure 4-11: Increasing ranked importance of knowledge for practitioners and academics
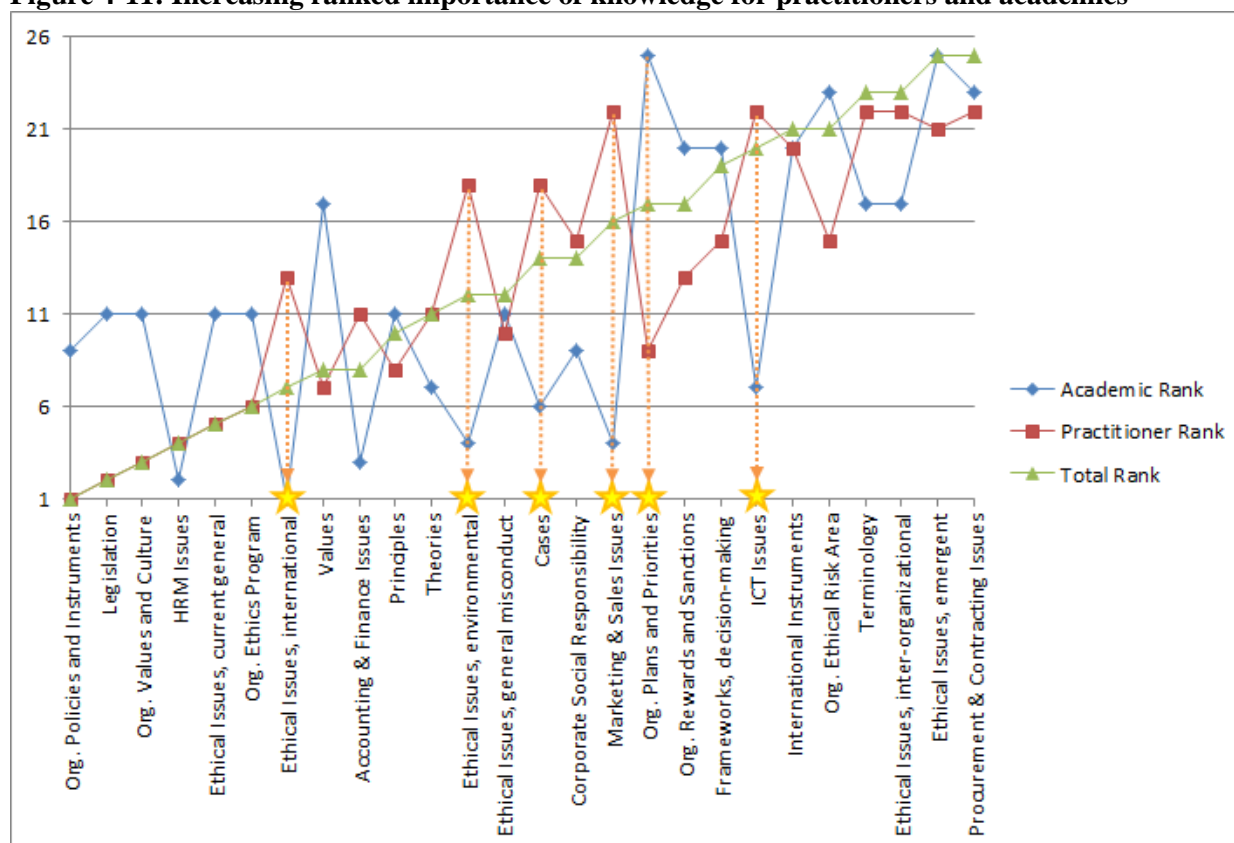
(*Source*: Developed for this research using document analysis data)

A cursory inspection of **Figure 4-11** depicting an increased ranked importance of knowledge, based on total rank for both sectors shows competencies that appear over-emphasized by academics (largest variance with **(blue) academic rank** below the green line) or over-emphasized by practitioners (large variance with **(red) practitioners rank** below the green line). For example, five knowledge-based competencies appear *over-emphasized* by academics compared to practitioners. Further, one competency appears over-emphasized by practitioners.

(2) Skills, Abilities, and Trait-Based Competencies

In terms of business ethics skills, abilities, and traits, these were little reflected within the twenty-one academic texts therefore, and unlike with the knowledge-based competencies above, there are no cases where academic frequency counts are higher than practitioner frequency counts as depicted in **Table 4-13** and visually in **Figure 4-12**.

Table 4-13: Frequency and rankings for skills, abilities, and traits by sector

№	Skills, abilities, and traits	Academics		Practitioners		Total	
		Count n=21	Rank	Count n=86	Rank	Count n=107	Rank
1	Analytical Thinking	5	1	44	5	49	3
2	Judgement & Decision-Making	4	4	52	1	56	1
3	Active Listening	0	21	5	32	5	32
4	Oral Communications	0	21	50	2	50	2
5	Written Communications	1	15	45	4	46	4
6	Advising	0	21	46	3	46	4
7	Collaboration	0	21	23	9	23	10
8	Empathy	1	15	4	34	5	32
9	Fairness	5	1	16	17	21	12
10	Networking	1	15	9	24	10	24
11	Persuasion	0	21	7	27	7	28
12	Respectful	2	10	18	13	20	14
13	Sharing	0	21	5	32	5	32
14	Tactful	0	21	18	13	18	17
15	Flexible	1	15	23	9	24	9
16	Personally Responsible	5	1	11	19	16	18
17	Responsive	0	21	7	27	7	28
18	Self-Confidence	1	15	4	34	5	32
19	Self-Control	4	4	10	22	14	21
20	Self-Development	2	10	8	26	10	24
21	Self-Driven	0	21	23	9	23	10
22	Stress Tolerance	0	21	11	19	11	23
23	Counselling	0	21	9	24	9	26
24	Environmental Scanning	0	21	7	27	7	28
25	Investigative	0	21	19	12	19	15
26	Risk Management	3	8	10	22	13	22
27	Training	1	15	43	6	44	6
28	Championing	0	21	6	30	6	31
29	Discrete	4	4	30	8	34	8
30	Honest	3	8	18	13	21	12
31	Impartial	0	21	15	18	15	19
32	Integrity	2	10	39	7	41	7
33	Respectable	2	10	6	30	8	27
34	Trustworthy	4	4	11	19	15	19
35	Transparent	2	10	17	16	19	15
	Max	5		52		56	
	Min	0		4		5	
	Spread	5		48		51	

(*Source*: Developed for this research using document analysis data)

Figure 4-12 shows that academic frequency counts are lower than practitioner frequency counts in all cases and a similar analysis conducted for knowledge-based competencies is not

pragmatic using document analysis data. This is likely due in large part to the fact that skills, abilities, and traits are not discussed or covered to the same extent as knowledge-based competencies in academic publications.

Figure 4-12: Skill, ability & trait frequencies for BE academics, practitioners, and totals
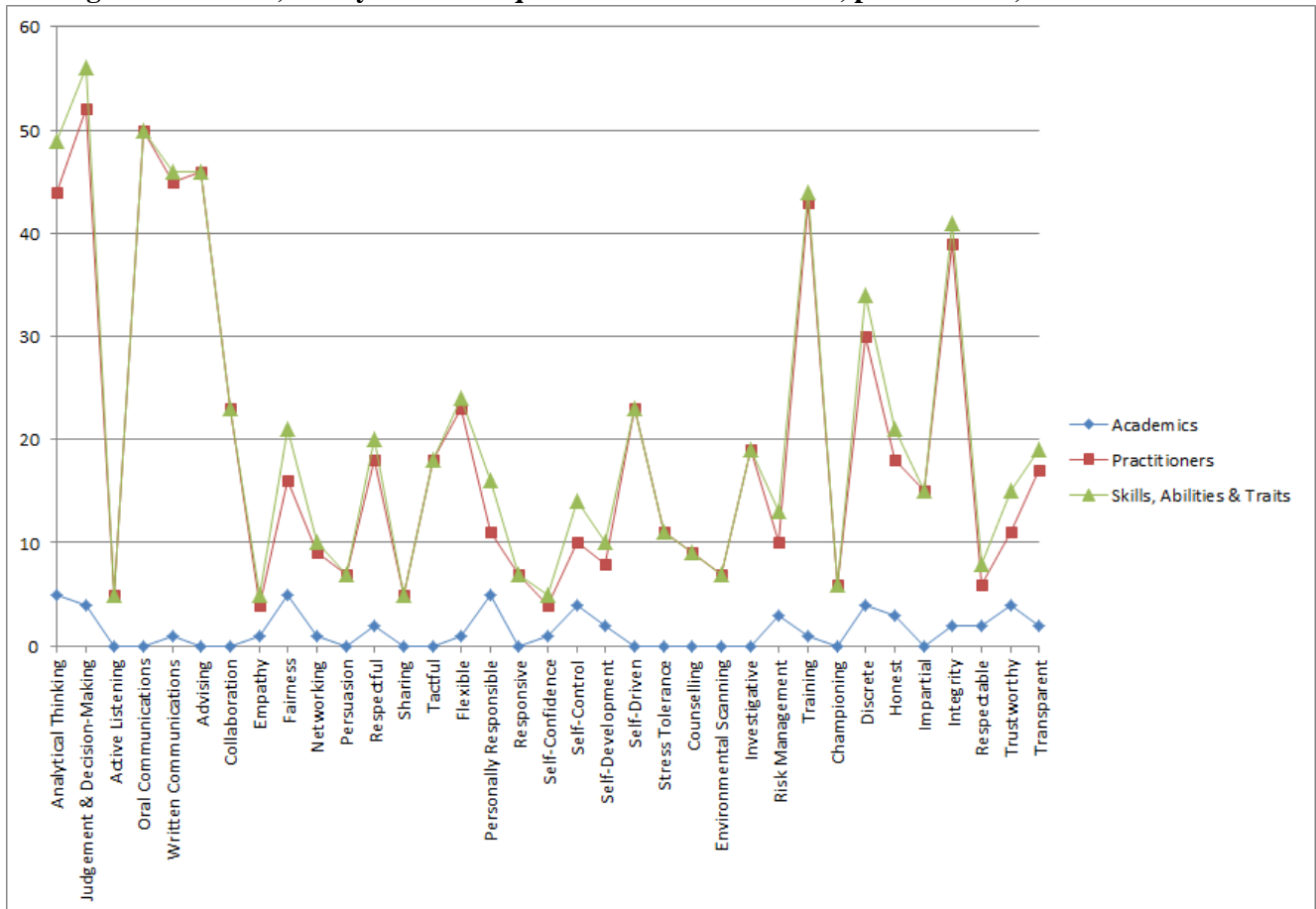
(*Source*: Developed for this research using document analysis data)

Conclusion for research issue (RI) 3 related to the document analysis

In summary, from the document analysis data, five knowledge-based competencies appear to be over-emphasized by academics in contrast to practitioners while one knowledge-based competency appears to be under-emphasized. These six competencies, reflected in **Table 4-14**, are worthy of further discussion in Chapter 5.

Table 4-14: KSAOs with perceived differences between academics & practitioners–document analysis

№	KSAO	Potential over-emphasis by academics	Potential under-emphasis by academics
Knowledge			
1	Environmental BE issues	✓	
2	International BE issues	✓	
3	Info. & Communications Tech. (ICT) BE issues	✓	
4	Marketing and sales BE issues	✓	
5	Cases	✓	

№	KSAO	Potential over-emphasis by academics	Potential under-emphasis by academics
6	Org. BE plans & priorities		✓
Skill, Ability, or Trait			
	N/A		

(*Source*: Developed for this study using document analysis data)

An examination of the survey-based data may support these findings through triangulation of method.

4.5.2 Survey Data

A nonparametric *bivariate test of differences for independent samples* (Mann-Whitney U test) is used to determine if the opinions of academics and industry practitioners differ significantly in their mean survey responses to the perceived importance of business ethics competencies. This ordinal level test is conducted on interval data in lieu of an independent groups *t*-test because the data is not normally distributed and therefore several test assumption are not met (Coakes & Steed, 2003; Leedy & Ormrod 2001; Zikmund 2003a) as depicted in **Table 4-15**.

Table 4-15: Test assumptions for independent groups t-test

№	Assumption	Description	Met ☑ or Not Met ☒ and How
1	Measurement scale	Data should be interval or ratio; matter of research design	☑ Interval-level data was obtained from a 5-pt Likert scale
2	Random Sampling	Scores are randomly sampled from population of interest; matter of research design	☒ Each respondent within the population of interest did not have an equal likelihood of completing the survey as the design involved non-probabilistic purposive sampling
3	Normality	Scores should be normally distributed; Assumption of normality is violated	☒ Tested separately for each set of scores using SPSS (Explore function)
4	Independence of groups	Participants should appear in only one group and groups are unrelated; matter of research design	☑ Participants are either academics or industry practitioners within the survey
5	Homogeneity of variance	Groups should come from populations with equal variances; assumption of equal variability violated	☒ Tested in SPSS using the Levene test for equality of variances

(*Adapted from*: Coakes & Steed 2003, pp. 66, 70)

The null hypothesis (H_0) is that there is no difference between the means of the two groups. Hypothesis tests were conducted for each of the sixty-one KSAOs included in the survey. For each KSAO *i* (where *i* = 1,…61), hypothesis *i* is:

H_0i: There is no difference between academics' perceived average importance of KSAO *i* and practitioners' perceived average importance of KSAO *i* for BE industry practitioners.

(1) Knowledge-Based Competencies

Results of the Mann-Whitney U test are depicted in **Table 4-16** for knowledge-based competencies. In seven cases, the null hypothesis is rejected indicating that there are significant ($p \leq 0.05$) differences between academics' and practitioners' perceived average

importance of knowledge-based competencies. These knowledge items include: *Corporate Social Responsibility (CSR)*, *BE theories*, *environmental BE issues*, *international BE issues*, *inter-organizational BE issues*, *accounting and financial BE issues*, and *marketing and sales BE issues*.

Table 4-16: Hypothesis test summary - independent samples Mann-Whitney U test - knowledge

	Null Hypothesis	Sig.	Decision
	The distribution of knowledge of _____ is the same across sectors.		
1	Cases	.396	Retain the null hypothesis
2	Corporate Social Responsibility (CSR)	.001	Reject the null hypothesis
3	Decision-making frameworks	.158	Retain the null hypothesis
4	International standards, codes, guides	.267	Retain the null hypothesis
5	Legislation	.520	Retain the null hypothesis
6	Principles	.449	Retain the null hypothesis
7	Terminology	.578	Retain the null hypothesis
8	Theories	.011	Reject the null hypothesis
9	Values	.159	Retain the null hypothesis
10	Current issues	.970	Retain the null hypothesis
11	Emergent issues	.254	Retain the null hypothesis
12	Environmental issues	.000	Reject the null hypothesis
13	General misconduct	.778	Retain the null hypothesis
14	International issues	.004	Reject the null hypothesis
15	Inter-organizational issues	.033	Reject the null hypothesis
16	Accounting and financial issues	.003	Reject the null hypothesis
17	Human resources issues	.240	Retain the null hypothesis
18	Information & communication technology (ICT) issues	.146	Retain the null hypothesis
19	Marketing and sales issues	.001	Reject the null hypothesis
20	Procurement issues	.390	Retain the null hypothesis
21	Organizational values and culture	.172	Retain the null hypothesis
22	Organizational policies and instruments	.337	Retain the null hypothesis
23	Organizational plans and priorities	.442	Retain the null hypothesis
24	Organizational ethics program	.259	Retain the null hypothesis
25	Organizational rewards and sanctions	.287	Retain the null hypothesis
26	Organizational ethical risk areas	.401	Retain the null hypothesis

Asymptotic significances are displayed. The significance level is .05.
(*Source*: Developed for this study using survey data and SPSS v19.0)

Supporting statistics depicted in **Figure 4-13** where obtained for each knowledge-based competency using the SPSS software. For example, the 2-tailed asymptotic significance (p-value corrected for ties) depicted in **Figure 4-13** for *knowledge of cases* is 0.396 (circled in red). Since p ≥ 0.05 then there are no significant differences between the mean ranks for academics and practitioners and we should retain the null hypothesis that the distribution of *knowledge of cases* is the same across sectors.

Figure 4-13: Mann-Whitney U test results from SPSS for *knowledge of cases*
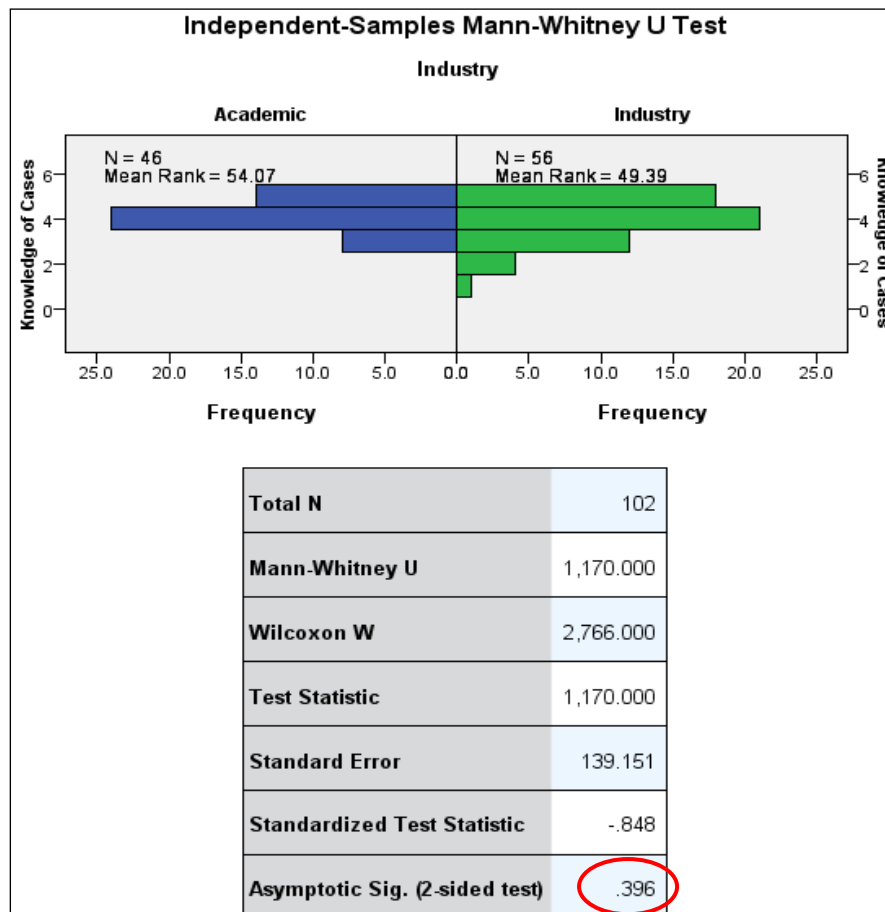
(*Source*: Developed for this study using survey data and SPSS v19.0)

Graphically, the significant differences between perceived importance of knowledge-based competencies for academics and practitioners on the seven items (indicated by a gold star ⭐) identified using the Mann-Whitney U test are quite noticeable in **Figure 4-14**.

Figure 4-14: Perceived differences of important knowledge for academic and practitioners
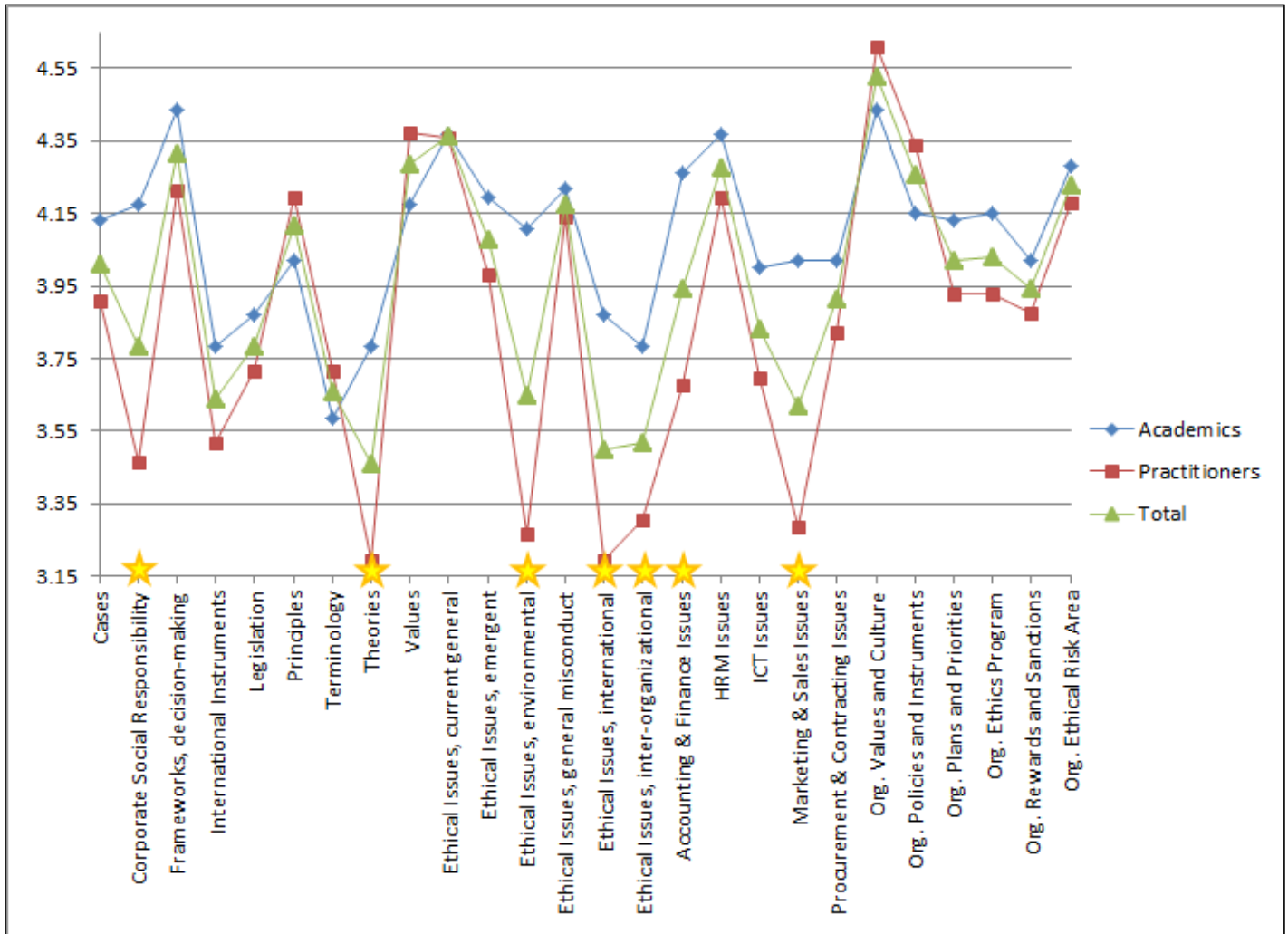
(*Source*: Developed for this study using survey data and Excel 2010 lines with markers output)

Having explored knowledge-based competencies using the Mann-Whitney U test, similar statistics were obtained on skills, abilities, and traits discussed next.

(2) Skills, Abilities, and Trait-Based Competencies

Results of the Mann-Whitney U test are depicted in **Table 4-17** for skills, abilities, and traits. In three cases, the null hypothesis is rejected indicating that there are significant ($p \leq 0.05$) differences between academics' and practitioners' perceived average importance of these competencies. These competencies include: *respectful*, *risk management*, and *impartiality*.

Table 4-17: Hypothesis test summary - independent samples Mann-Whitney U test skills-traits

	Null Hypothesis	Sig.	Decision
	The distribution of _____ skills, abilities, or trait is the same across sectors.		
1	Analytical thinking	.485	Retain the null hypothesis
2	Judgement and decision-making	.642	Retain the null hypothesis
3	Active listening	.631	Retain the null hypothesis

	Null Hypothesis	Sig.	Decision
4	Verbal communications	.367	Retain the null hypothesis
5	Written communications	.918	Retain the null hypothesis
6	Advising	.271	Retain the null hypothesis
7	Collaboration	.713	Retain the null hypothesis
8	Empathy	.419	Retain the null hypothesis
9	Fairness	.565	Retain the null hypothesis
10	Networking	.763	Retain the null hypothesis
11	Persuasion	.248	Retain the null hypothesis
12	Respectful	.001	Reject the null hypothesis
13	Sharing	.273	Retain the null hypothesis
14	Tactful	.293	Retain the null hypothesis
15	Flexible	.896	Retain the null hypothesis
16	Personally Responsible	.420	Retain the null hypothesis
17	Responsive	.329	Retain the null hypothesis
18	Self-Confidence	.296	Retain the null hypothesis
19	Self-Control	.855	Retain the null hypothesis
20	Self-Development	.343	Retain the null hypothesis
21	Self-Driven	.623	Retain the null hypothesis
22	Stress Tolerance	.904	Retain the null hypothesis
23	Counselling	.434	Retain the null hypothesis
24	Environmental Scanning	.835	Retain the null hypothesis
25	Investigation	.850	Retain the null hypothesis
26	Risk Management	.016	Reject the null hypothesis
27	Training	.562	Retain the null hypothesis
28	Championing	.223	Retain the null hypothesis
29	Discretion	.157	Retain the null hypothesis
30	Honesty	.895	Retain the null hypothesis
31	Impartiality	.017	Reject the null hypothesis
32	Integrity	.414	Retain the null hypothesis
33	Respectable	.445	Retain the null hypothesis
34	Trustworthiness	.776	Retain the null hypothesis
35	Transparency	.908	Retain the null hypothesis

Asymptotic significances are displayed. The significance level is .05.
(*Source*: Developed for this study using survey data and SPSS v19.0)

Supporting statistics similar to those previously introduced in **Figure 4-13** were also obtained for each skill, ability, or trait-based competency using the SPSS software but are not included here for brevity. Graphically, the significant differences between perceived importance of skill, ability, or trait-based competencies for academics and practitioners on the three items identified using the Mann-Whitney U test are quite noticeable in **Figure 4-15** as indicated by a gold star ( ).

Figure 4-15: Perceived differences of important skills-traits for academic and practitioners
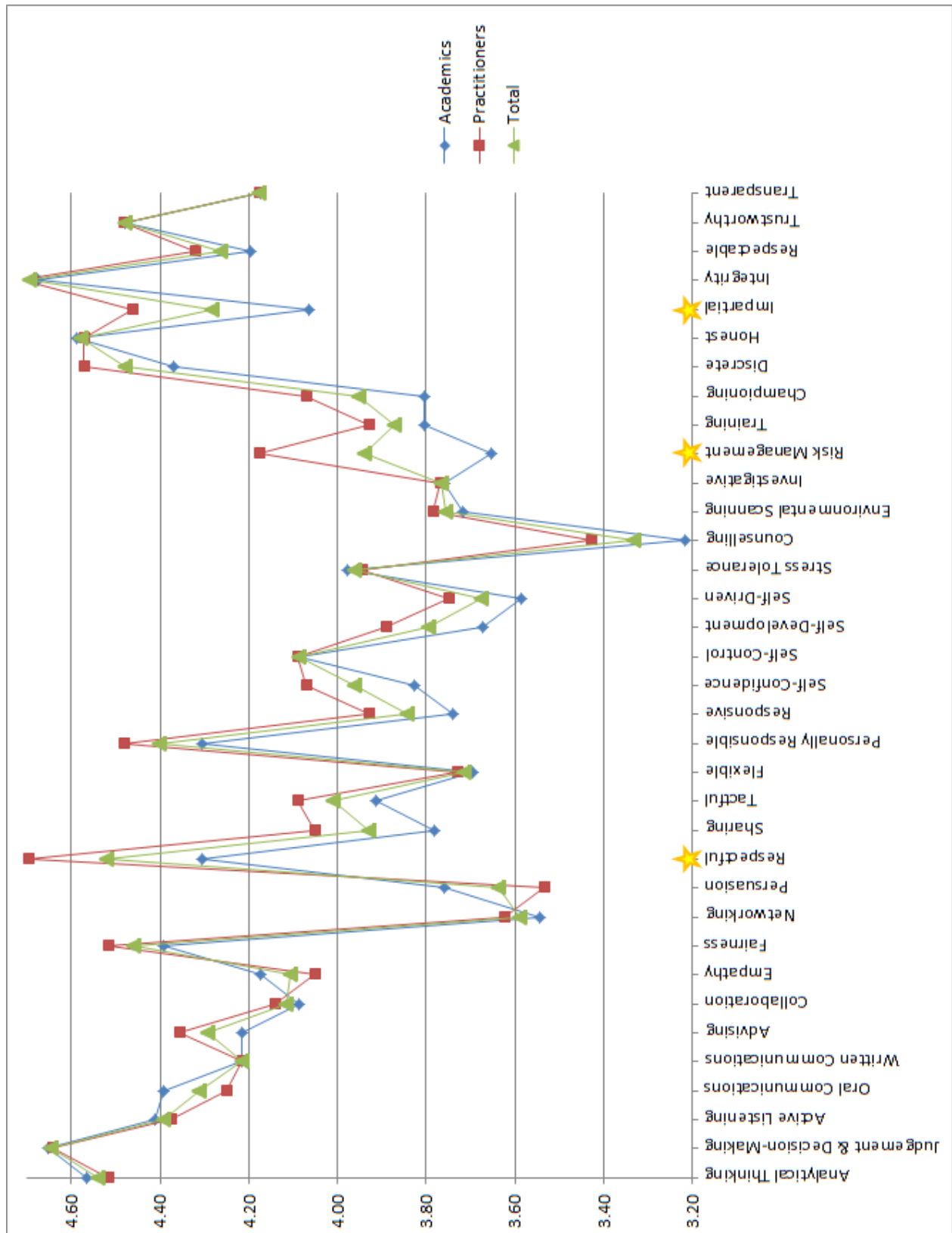
(*Source*: Developed for this study using survey data and Excel 2010 lines with markers output)

Conclusion for research issue (RI) 3 related to the survey data

In summary, from the survey data, seven knowledge-based competencies appear to be perceived more significantly by academics in contrast to practitioners and worthy of further discussion in Chapter 5. These are: *Corporate Social Responsibility (CSR)*, *BE theories*, *environmental BE issues*, *international BE issues*, *inter-organizational BE issues*, *accounting and financial BE issues*, and *marketing and sales BE issues*, as reflected in **Table 4-18**.

Table 4-18: KSAOs with significantly perceived differences between academics and practitioners - survey

№	KSAO	Potential over-emphasis by academics	Potential under-emphasis by academics
Knowledge			
1	Corporate Social Responsibility (CSR)	✓	
2	BE theories	✓	
3	Environmental BE issues	✓	
4	International BE issues	✓	
5	Inter-organizational BE issues	✓	
6	Accounting and financial BE issues	✓	
7	Marketing and sales BE issues	✓	
Skill, Ability, or Trait			
1	Respect		✓
2	Risk management		✓
3	Impartiality		✓

(*Source*: Developed for this study using survey data)

Moreover, three additional skill, ability, or trait-based competencies appear to be perceived less significantly by academics in contrast to practitioners as depicted in **Table 4-18**. These are: *respectful, risk management, and impartiality*. Triangulation of method is examined next.

4.6 Triangulation

Triangulation within this study involves the collection of multiple sources of data (Leedy & Ormrod 2001) via a Phase I *document analysis* and Phase II *survey* with the hope that they converge to support the identification of important KSAOs to business ethics industry practitioners as perceived by academics and practitioners. The underlying assumption is that BE-related academic and industry documents served to identify an initial set of 61 important business ethics knowledge, skills, abilities, and traits that would be supported by a survey of academics and industry practitioners.

Triangulation of methods is not performed by individual sector within this study because of uneven sample sizes and the heterogeneity of publications analysed, but rather is performed on the aggregate of both academic and practitioner sectors. For example, academic views within the document analysis (n=21) are not compared or contrasted to academic views of

survey respondent (n=46). Similarly, practitioner views within the document analysis (n=86) are not compared or contrasted to practitioner views of survey respondent (n=56). Instead, the overall rank of both academics and practitioners within the document analysis (n=107) are compared or contrasted to the overall rank of both academic and practitioners views of survey respondents (n=102) as highlighted in **Table 4-19**.

4.6.1 Triangulation of Knowledge-Based Competencies

Within the 26 knowledge elements, **Table 4-19** illustrates that six items highlighted in yellow have materially different rankings of importance between the document analysis and survey data. For example, *international BE issues* has the biggest difference in ranking of "18" (indicated in the column by the absolute difference icon "|**Δ**|") which is derived by subtracting the overall rank value of "25" in Phase II (survey) with the overall rank value of "7" in Phase I (document analysis).

Table 4-19: Triangulation of document analysis and survey methods for knowledge elements

		STUDY - PHASE II					STUDY - PHASE I		
		Survey Results					Preliminary Model		
		n=46	n= 56	n=102	n=102		Both Sectors		
		Academic Rank	Industry Rank	Overall Mean	Overall Rank	|Δ|	Overall Rank	Count n=107	%
	General Knowledge								
1	Cases	14	13	4.01	13	1	14	19	18%
2	CSR	11	21	3.78	18	4	14	19	18%
3	Decision-Making Frameworks	1	5	4.31	3	16	19	16	15%
4	Int'l Instruments	24	20	3.64	22	1	21	13	12%
5	Legislation	21	16	3.78	18	16	2	48	45%
6	Principles	17	6	4.12	9	1	10	25	23%
7	Terminology	26	18	3.66	20	3	23	12	11%
8	Theories	24	26	3.46	26	15	11	22	21%
9	Values	11	2	4.28	4	4	8	26	24%
	Business Ethics Issues								
10	Current Issues	3	3	4.36	2	3	5	31	29%
11	Emergent Issues	10	11	4.08	10	15	25	8	7%
12	Environ. Issues	9	24	3.65	21	9	12	21	20%
13	General Misconduct Issues	8	9	4.18	8	4	12	21	20%
14	International BE Issues	21	25	3.50	25	18	7	27	25%
15	Inter-org. Issues	23	22	3.52	24	1	23	12	11%
	Functional BE Issues								
16	Accounting & FIN Issues	6	19	3.94	14	6	8	26	24%
17	HRM Issues	3	6	4.27	5	1	4	43	40%
18	ICT Issues	20	17	3.83	17	3	20	15	14%
19	Marketing & Sales Issues	17	23	3.62	23	7	16	18	17%
20	Procurement Issues	17	15	3.91	16	9	25	8	7%
	Organizational Knowledge								
21	Org. Values and Culture	1	1	4.53	1	2	3	46	43%
22	Org. Policies and Instruments	7	4	4.25	6	5	1	71	66%

		STUDY - PHASE II					STUDY - PHASE I		
		Survey Results					Preliminary Model		
		n=46	n= 56	n=102	n=102		Both Sectors		
		Academic Rank	Industry Rank	Overall Mean	Overall Rank	|Δ|	Overall Rank	Count n=107	%
23	Org. Plans and Priorities	14	12	4.02	12	5	17	17	16%
24	Org. Ethics Program	13	10	4.03	11	5	6	30	28%
25	Org. Rewards and Sanctions	16	14	3.94	14	3	17	17	16%
26	Org. Ethical Risk Area	5	8	4.23	7	14	21	13	12%

Legend

Rank Δ ≤ 5	11	5	6	Closely related rankings (triangulation supported)
Rank Δ > 5, ≤ 10	5	7	12	Notable difference in rankings (triangulation partially supported)
Rank Δ > 10	10	16	26	Material difference in rankings (triangulation unsupported)

(*Source*: Developed for this study using survey and document analysis data)

Absolute differences in ranks between survey and document analysis data help determine level of triangulation. Similarly, differences for overall rankings from the survey data were subtracted with the overall rankings from the document analysis. As per the accompanying legend to **Table 4-19**, if the absolute difference in ranks between the two methods is less than or equal to five, then the ranks for the two methods are considered closely related and triangulation is deemed supported. If however the absolute difference in ranks between the two methods is greater than five and less than or equal to ten, then the ranks for the two methods are considered somewhat related with some notable differences and triangulation is deemed partially supported. In stark contrast however, if the absolute difference in ranks between the two methods is greater than ten, then the ranks for the two methods are considered materially different and triangulation is deemed not supported.

Additionally, in considering the mean values obtained for relative importance using the survey data, where a theoretical top score of five equates to "extremely important", a score of four equates to "very important", and a score of three equates to "important" as per the 5-pt Likert survey scale employed, in conjunction with triangulation (i.e., supported, partially supported, or unsupported), **Table 4-20** shows that 62 percent (16 out of 26) of knowledge-based competencies were triangulated, with ten of these "very important" knowledge items having a mean score greater than 4.00 and another six "important" knowledge items having a mean score greater than 3.00 but less than 4.00. Top tier "very important" knowledge-based competencies are reflected on the left-hand side of **Table 4-20** while "important" knowledge-based competencies are reflected on the right-hand side.

Table 4-20: Triangulated (supported) top and bottom tier knowledge-based competencies

№	Triangulated Top Tier Competencies	Rank	Mean	№	Triangulated Bottom Tier Competencies	Rank	Mean
1	Org. Values and Culture	1	4.53				
2	Current Issues	2	4.36				
3	Values	4	4.28				
4	HRM Issues	5	4.27				
5	Org. Policies & Instruments	6	4.25	1	Org. Rewards and Sanctions	14	3.98
6	General Misconduct Issues	8	4.18	2	ICT Issues	17	3.83
7	Principles	9	4.12	3	CSR	18	3.78
8	Org. Ethics Program	11	4.03	4	Terminology	20	3.66
9	Org. Plans and Priorities	12	4.02	5	Int'l Instruments	22	3.64
10	Cases	13	4.01	6	Inter-org. Issues	24	3.52

mean ≥ 4.0 (very important);   mean < 4.0 (important)
(*Source*: Developed for this research using survey and document analysis data)

Similarly, **Table 4-21** shows the four (15 percent) partially supported "important" knowledge-based competencies on the right-hand side, and the six unsupported (23 percent) competencies on the left-hand side. These six non-triangulated competencies—worthy of further discussion in Chapter 5, include: *BE decision-making frameworks*, *organizational BE risk areas*, *emergent BE issues*, *legislation*, *international BE issues*, and *BE theories*.

Table 4-21: Partially or unsupported knowledge-based competencies

№	Disputed Competencies	Rank	Mean	№	Partially Supported Competencies	Rank	Mean
1	Decision-Making Frameworks	3	4.31	1	Accounting & FIN Issues	14	3.94
2	Org. Ethical Risk Area	7	4.23	2	Procurement Issues	16	3.91
3	Emergent Issues	10	4.08	3	Environ. Issues	21	3.65
4	Legislation	18	3.78	4	Marketing & Sales Issues	23	3.62
5	Int'l Issues	25	3.50				
6	Theories	26	3.46				

mean ≥ 4.0 (very important);   mean < 4.0 (important)
(*Source*: Developed for this research using survey and document analysis data)

4.6.2 Triangulation of Skill, Ability and Trait-Based Competencies

Within the 35 skill, ability, or trait-based competencies, **Table 4-22** illustrates that ten items highlighted in yellow have materially different rankings of importance between the document analysis and survey data. For example, *active listening* has the biggest difference in ranking (tied with *flexible* and *self-driven*), scoring "22" (indicated in the "|Δ|" column) which is derived by subtracting the overall rank value of "10" in Phase II (survey) with the overall rank value of "32" in Phase I (document analysis) and taking the absolute differential value.

Table 4-22: Triangulation of document analysis and survey methods for skills, abilities, and traits

		STUDY - PHASE II					STUDY - PHASE I		
		Survey Results					Preliminary Model		
		n=46	n= 56	n=102	n=102		Both Sectors		
		Academic Rank	Industry Rank	Overall Mean	Overall Rank	|Δ|	Overall Rank	Count n=107	%
	Thinking Skills								
1	Analytical Thinking	4	6	4.54	4	1	3	49	46%
2	Judgement & Decision-Making	2	3	4.65	2	1	1	56	52%
	Communications Skills								
3	Active Listening	6	11	4.39	10	22	32	5	5%
4	Oral Communications	8	14	4.31	11	9	2	50	47%
5	Written Communications	13	15	4.22	16	12	4	46	43%
	Interpersonal Competencies								
6	Advising	13	12	4.29	12	8	4	46	43%
7	Collaboration	17	18	4.12	17	7	10	23	21%
8	Empathy	16	23	4.11	18	14	32	5	5%
9	Fairness	8	6	4.46	8	4	12	21	20%
10	Networking	34	33	3.59	34	10	24	10	9%
11	Persuasion	27	34	3.64	33	5	28	7	7%
12	Respectful	11	2	4.52	5	9	14	20	19%
13	Sharing	23	23	3.93	23	9	32	5	5%
14	Tactful	21	19	4.01	20	3	17	18	17%
	Self-Mgmt Competencies								
15	Flexible	31	32	3.72	31	22	9	24	22%
16	Personally Responsible	7	8	4.40	9	9	18	16	15%
17	Responsive	29	26	3.84	27	1	28	7	7%
18	Self-Confident	22	21	3.96	21	11	32	5	5%
19	Self-Control	17	19	4.09	19	2	21	14	13%
20	Self-Development	32	28	3.79	29	5	24	10	9%
21	Self-Driven	33	31	3.68	32	22	10	23	21%
22	Stress Tolerance	20	25	3.96	24	1	23	11	10%
	Technical Competencies								
23	Counselling	35	35	3.33	35	9	26	9	8%
24	Environmental Scanning	26	30	3.75	30	2	28	7	7%
25	Investigative	27	29	3.76	28	13	15	19	18%
26	Risk Management	30	16	3.94	22	0	22	13	12%
27	Training	24	26	3.87	26	20	6	44	41%
	Professionalism								
28	Championing	24	21	3.95	25	6	31	6	6%
29	Discrete	10	4	4.48	6	2	8	34	32%
30	Honest	3	4	4.58	3	9	12	21	20%
31	Impartial	19	10	4.28	13	6	19	15	14%
32	Integrity	1	1	4.70	1	6	7	41	38%
33	Respectable	15	13	4.26	14	13	27	8	7%
34	Trustworthy	5	8	4.48	6	13	19	15	14%
35	Transparent	12	16	4.18	15	0	15	19	18%

Legend

Rank Δ ≤ 5	11	5	6	Closely related rankings (triangulation supported)
Rank Δ > 5, ≤ 10	5	7	12	Notable difference in rankings (triangulation partially supported)
Rank Δ > 10	10	16	26	Material difference in rankings (triangulation unsupported)

(*Source*: Developed for this study using survey and document analysis data)

Table 4-22 shows that 37 percent (13/35) skill, ability, or trait-based competencies were

triangulated, with seven of these "very important" items having a mean score greater than

4.00 and another six "important" items having a mean score greater than 3.00 but less than 4.00. Top tier "very important" competencies are reflected on the left-hand side of **Table 4-23** while "important" competencies are reflected on the right-hand side.

Table 4-23: Triangulated (supported) top and bottom tier skills, abilities, and traits

№	Triangulated Top Tier Competencies	Rank	Mean	№	Triangulated Bottom Tier Competencies	Rank	Mean
1	Judgement & Decision-Making	2	4.65				
2	Analytical Thinking	4	4.54	1	Risk Management	22	3.94
3	Discrete	6	4.48	2	Stress Tolerance	24	3.96
4	Fairness	8	4.46	3	Responsive	27	3.84
5	Transparent	15	4.18	4	Self-Development	29	3.79
6	Self-Control	19	4.09	5	Environmental Scanning	30	3.75
7	Tactful	20	4.01	6	Persuasion	33	3.64

mean ≥ 4.0 (very important);   mean < 4.0 (important)
(*Source*: Developed for this research using survey and document analysis data)

Similarly, **Table 4-24** shows the 12 partially supported (34 percent) competencies on the right-hand side, and the ten unsupported (29 percent) competencies on the left-hand side. These ten non-triangulated competencies—worthy of further discussion in Chapter 5, include: *trustworthiness*, *active listening*, *respectable*, *written communications*, *empathy*, *self-confidence*, *training*, *investigating*, *flexibility*, and *self-driven*.

Table 4-24: Partially or unsupported skills, abilities, and traits

№	Disputed Competencies	Rank	Mean	№	Partially Supported Competencies	Rank	Mean
1	Trustworthy	6	4.48	1	Integrity	1	4.70
2	Active Listening	10	4.39	2	Honest	3	4.58
3	Respectable	14	4.26	3	Respectful	5	4.52
4	Written Communications	16	4.22	4	Personally Responsible	9	4.40
5	Empathy	18	4.11	5	Oral Communications	11	4.31
6	Self-Confident	21	3.96	6	Advising	12	4.29
7	Training	26	3.87	7	Impartial	13	4.28
8	Investigative	28	3.76	8	Collaboration	17	4.12
9	Flexible	31	3.72	9	Sharing	23	3.93
10	Self-Driven	32	3.68	10	Championing	25	3.95
				11	Networking	34	3.59
				12	Counselling	35	3.33

mean ≥ 4.0 (very important);   mean < 4.0 (important)
(*Source*: Developed for this research using survey and document analysis data)

4.7 Conclusion

This chapter sought to inform the research question and answer the three research issues within the context of the collected data from the document analysis in Phase I and online survey in Phase II. A discussion of results, drawing of conclusions and implications for key findings in the context of the literature follows in the next and final chapter.

5 Discussion, Conclusions and Implications

Good education teaches in the shortest possible way what one should aim for and what one should try to avoid, and does not show, after the evil has happened: this has gone wrong, be alert for this from now on, but it learns you before you act: when you do this, you will disgrace yourself and disaster will come over you. So let's create this threefold bond: that education will lead nature and that practice will complete education.
<div align="right">– Desiderius Erasmus, Dutch humanist (1466-1536)</div>

5.1 Introduction

The purpose of this chapter is to discuss the findings from the previous chapter, show linkages with relevant literature from Chapter 2, and present implications and contributions to the bodies of knowledge. The research problem posited for this study is:

What competencies are important for job performance to business ethics practitioners in industry and how do their perceptions compare with those of academia?

To address the research problem, three research issues were identified and discussion in this chapter is structured around these research issues (Section 5.2). In section 5.2 the following themes are discussed: influence of organizational roles and context (culture and environment) on important competencies for BE practitioners, and the use of risk management for tailoring competencies to address contextual factors. Next, conclusions about the research problem are discussed (Section 5.3) followed by implications for theory (Section 5.4) and management practice (Section 5.5). The chapter concludes with research limitations (Section 5.6) and suggested direction for future research (Section 5.7).

5.2 Conclusions about research issues (RI)

This section contains the conclusions reached on the three research issues in the context of relevant literature from Chapter 2.

5.2.1 Conclusion for RI1: Knowledge, skills, abilities, and other characteristics (KSAOs) Important to BE Practitioners

This study sought to address a material problem faced by many business ethics, compliance, or integrity practitioners. As a testament to the importance of this issue, a working group of five of the most prominent non-profit organizations within the field (i.e., BRICE, ERC, ECOA, OCEG, and SCCE) sought to address several questions, the most relevant to this study being: 'What skills and qualifications are needed to competently perform the job of a CECO [Chief Ethics and Compliance Officer]?' (ERC 2007, p. 8).

Within the context of this study, the first research issue was postulated as:

RI1: *What core set of KSAOs (knowledge, skills, abilities, and other characteristics) are*
important to business ethics practitioners?

Several themes emerged in Chapter 2 from the three parent theories that relate to this first
research issue and will be discussed and interpreted within the context of this conclusion.
These themes include: Roles, organizational context, risk management, competency layers,
and intended purpose that will be used to revise the *content selection model for BE*
instruction initially postulated in Section 2.5.1, Figure 2-29.

5.2.1.1   Role-related competencies

The roles of ethics, compliance, and integrity practitioners (ECIPs), previously defined as
work-related duties and patterns of behaviours (PSC 1997), were first considered in Section
2.3.3.1 in the context of *job analysis* (CBM theory) and Section 2.3.4 on the process of
identifying roles of BE Officials (IBEP and CBM theories). Moreover, Figure 2-12 showed
that a number of public service, industry, and academic sources were analysed, synthesized,
and critically evaluated to identify six core roles that were subsequently incorporated into the
survey questionnaire for empirical validation. Finally, Figure 2-13 on the business ethics
competency architecture showed the *implications of roles on the activities and competencies*
of ECIPs. Indeed, the PSC (1997, p. 16) supports this relationship stating: 'Roles have a
direct impact on which competencies are fundamental to a position'.

Advising (№ 32). Respondents predominantly identified (70 percent) the *advisor* role as the
most performed in relation to their current job. Correspondingly, the *very important* (Tier 1)
competency of ***advising***, defined as being *able to provide effective advice, guidance, and*
sound recommendations on issues and courses of action, ranked 12th amongst 35 skills.

The importance of this competency is supported within the literature (CEB 2002; Murphy &
Leet 2007; OECD 1999) and three of the seven benchmarks include a reference to this
competency (cf. EPAC 2001; ERC 2007; Ezekiel 2006). Of note, within this study, *advising*
is not categorized as a functional or technical competency *per se,* as this competency is
generally perceived more as a soft skill, and is exercised more broadly and by more
practitioners than say, *investigating* alleged wrongdoing that more intuitively belongs as a
technical skill. Therefore, advising was deemed to belong more appropriately to the

interpersonal skills category. As some researchers suggest, and based on a general consensus that there is a lack of terminological specificity within the field of CBM, exactly where a competency is placed is often less important than ensuring that the competency is included within the framework. Finally, the term "consultant" is sometimes used synonymously for the role of advisor (Adobor 2006; Lebacqz 2003; Petry & Tietz 1992; Smith 2003) and within the extant literature, a number of expressions where deemed equivalent and included, for example: 'Responding to ethics inquiries' (SSCE 2010, p. 6); 'a channel to ask questions…' (PwC 2010, p. 13); and 'guidance, advice…or consultation' (OECD PUMA 1999).

Championing (№ 54). Next, respondents indicated the *manager* role as the second most performed on the job. Congruently, the *very important* (Tier 1) competency of **championing**, defined as being *able to position, defend, support, or promote an ethics program* by taking issues forward, ranked 21st amongst 35 skills, abilities or traits (SATs). Although not a functional or technical skill *per se*, the current taxonomy proposed by this study places this skill under the professionalism category. Further, championing is seen as primarily (though not exclusively) related to the role of manager or leader since being a champion would be facilitated if the ECIP would be in a position to yield either *formal* or *legitimate power* (based purely on a person's position within the organizational structure) (Adobor 2006) or *referent power* (based on charismatic properties) (Mendonca 2001). However, others such as recognized professionals or Subject Matter Experts (SMEs) would also be able to exercise *expert power* (based on being a recognized expert). Such recognized professionals are also likely to evangelize or champion a BE program.

This competency is supported within the literature as witness by several examples. For instance, Adobor (2006, p. 58) states that 'Ethics officers are supposed to be champions of ethical integrity'. Also, four of the seven benchmarks considered support this competency. For example, the EPAC (2001, p. 14) profile states: 'Promoting broad synergies and being a catalyst…' while the Conference Board of Canada (CBoC) profile states: '…advocacy skills, for "selling" the program internally' (Ezekiel 2006, p. 16).

Training (№ 54). Third, respondents indicated the *educator* role as the next most performed. Consistently, the almost very important (Tier 2) competency of **training**, defined as being *able to transfer ethical knowledge and skills to others* through various means such as training, awareness, and facilitations was ranked 26th amongst 35 SATs.

The importance of this competency, just as the previous two, is also supported by practitioners and academics within the extant literature (Fredericksen & Martin 2009; Hoffman et al. 2008; Izraeli & BarNir 1998; Joseph 2002). Further, three of the seven benchmarks—the three industry profiles, include a reference to this competency (cf. EPAC 2001; ERC 2007; Ezekiel 2006). Selected examples of references to the role of educator or *training* competency include the CBoC Integrity Manager Profile that includes '[k]nowledge of training methodologies' (Ezekiel 2006, p. 15), and Joseph (2002, p. 325) who states 'developing and administering ethics education and training materials' as well as (Adobor 2006) who speaks of training design and delivery. Synonymous terms for the educator role include trainer and teacher while synonymous terms for the *training* competency include educating, instructing, teaching, providing awareness, and developing others.

Investigating (№ 51). Fourth, respondents indicated the *investigator* role as equally performed as the *educator* role previously discussed. Consistently, the competency of **investigating**, defined as being *able to inquire and examine issues to find information and ascertain facts* in cases of alleged wrongdoing was ranked 30th amongst the other SATs indicating this Tier 3 skill was deemed *important*, but relatively less important overall.

This lower importance rating may be due in part to the fact that not all ECIPs may necessarily perform each and every of the six core roles as this may be influenced by a number of factors such as organizational size, structure, delegations of authorities, protocols, an incumbent's level or position, and so forth. For example, in a larger organization with a large ethics program and many ethics officers, it may be entirely possible to have certain ECIPs specialized in one or a few roles such as investigator or educator. Similarly, the head of a BE program may be focused almost exclusively on the leader role, delegating investigations to subordinates. Also, investigations into wrongdoing may have been delegated to other functions within an organization such as internal investigations. Finally, although some incumbents may be called upon to perform all of the six core roles, some of these roles may be performed much less frequently, hence resulting in lower importance. This is especially valid for a role like investigator since an effective BE program would hopefully have preventive controls in place (e.g., training) and much less reactive cases of investigations.

Although relatively less important than the previous competencies, the mean score still indicates that *investigative abilities* are important to practitioners, and this finding is supported within the extant literature. Joseph (2002, p. 325) talks of 'overseeing ethics investigations' while Adobor (2006, p. 60) also refers to overseeing or conducting investigations of wrongdoing. Further, many other academics and practitioners are proponents of this competency (cf. Morf et al. 1999; Murphy & Leet 2007; Petry & Tietz 1992; Smith 2003). Additionally, two benchmark profiles reference this competency (cf. ERC 2007; Ezekiel 2006). For instance, the CBoC Integrity Manager Profile states: 'Ability to lead /assist in an investigation' (Ezekiel 2006, p. 15). Finally, the extant literature includes auditor as a related term for the investigator role and synonymous terms for *investigating* include forensic reviews, fact-finding, and scrutinizing.

Counselling (№ 49). The penultimate role indicated by respondents is *counsellor*. The accompanying competency of ***counselling***, defined as being *able to provide psychological support to help an employee solve a personal ethical problem*, ranked 35th (last per Figure 4-6) indicating this Tier 3 skill is *important* with a penchant towards being only *somewhat important*.

A number of potential rationales may be indicative of this lower importance rating as perceived by ECIPs. First, counselling is a highly *specialized area* practiced perhaps by a much smaller subset of ECIPs. Besides, the function of counselling employees may belong to *outsourced services* such as ethical hotlines. Still, this function may belong to or overlap with *services offered from other areas* within an organization such as Employee Assistance Programs (EAP). In addition, counselling may be perceived as a second-tier support, subsequent to employees first leveraging general advisory services, therefore resulting in less frequently use of this role. Finally, the definition provided in the survey questionnaire may not have been sufficiently or accurately descriptive of the perceived function and role that may have led to some confusion and a lower importance rating.

Although perceived as the least important competency within the skills, abilities and traits category, the mean score still indicates that *counselling* is important to practitioners, and this finding is supported within the extant literature. For example, Petry and Tietz (2001, p. 21) state: 'The ethics officer (EO) is often expected to be **confessor**, corporate conscience,

investigator, enforcer, and teacher, all rolled into one' (emphasis added). Further, Smith (2003) states:

> *By synthesizing the limited empirical literature, government publications, and more numerous anecdotal reports, it is possible to identify a number of specific positions under the title of ethics administrator: ...* **ethics counselor***. (Emphasis added)*

Moreover, other references also support this role or associated competency (Murphy & Leet 2007; OECD PUMA 1999; PWGSC 2000). In terms of the benchmarks, the three profiles (cf. EPAC 2001; ERC 2007; Ezekiel 2006) also reference this competency. For example, the EPAC (2001, p. 16) profile states: 'Counselling, coaching and training members of organization on ethical issues'. Further, in terms of the *Generic Business Competency Model* developed to help inform the initial selection of competencies for the proposed conceptual taxonomy of competencies and survey instrument, counselling ranked very low (234 out of 426 competencies) which tends to support this competency being perceived as less important (based on frequency).

Self-Development (№ 46). Finally, the least performed role indicated by respondents was *scholar*. Relatedly, the competency of ***self-development***, defined as being *able to manage one's own learning and career development* through means such as continuous development ranked 28th amongst 35 SATs indicating this Tier 2 skill was deemed *important*.

Interestingly, although the least performed of the six core roles, practitioners' perception of the associated skill of *self-development* is also important. This could be, based on the current austerity measures experienced and as the extant literature suggests, because ECIPs are extremely busy and typically short on resources (time and money) and therefore would not have sufficient time or training budgets to allocate towards self-development (i.e., not practiced often, but perceived as a laudable behaviour). Self-development therefore may be more of a *luxury* within the context of a very busy person and fiscal restraints. Another potential reason behind the role of scholar being less performed may be rationalized from the demographic data from Table 4-4. The majority of practitioners were aged 50 or above or within the age range of 40-49. As employees mature within their roles and enter a different stage in life (e.g., pre-retirement or career progression becoming secondary), they may be less inclined to perform self-development while still recognizing the importance of this skill for their successors. Finally, the choice of wording on the survey questionnaire may have been less appropriate or acclimatized to practitioners as "scholar" may not resonate in the same

fashion to this demographic than an academic one. An alternative and equivalent role of "learner" was also provided but may not have been as prominent to survey respondents.

This finding is also supported by practitioners and academics within the extant literature (Adobor 2006; Hammer1996; Mendonca 2001; Smith 2003). For example, ethics officers with an internal locus of control (LOC) are good self-learners (Spector 1982). Moreover, Murphy and Leet (2007) refer to this skill and mention "continuous learning", "keeping current", "self-teaching" and a "willingness to learn". Further, two benchmarks reference this competency (cf. EPAC 2001; ERC 2007). For example, EPAC (2001, p. 16) states under its category of professional development and continuous learning: 'Developing continuously in ethics generally and in chosen specialties within ethics'.

Other roles. Finally, two additional roles identified in the extant literature, though to a significantly lesser degree of prevalence include *expert witness* and ensuring *compliance*. First, an open-ended survey question solicited any missing roles and one practitioner indicated "expert witness". An *expert witness* role in ethics entails providing expert testimony and preparing depositions, for instance. This role also appeared in a few texts (cf. Murphy & Leet 2007), most likely since a limited number of ECIPs may only be called upon infrequently to serve in this capacity. Future research could consider this role to determine its significance in terms of specific competencies. Second, the role of *compliance* (Adobor 2006) or enforcement (Hoffman et al. 2008; Izraeli & BarNir 1998; Petry & Tietz 1992; Smith 2003) appeared in several publications. In this study, compliance was included, along with integrity as part of an overarching ethics position title. Further research may choose to look at compliance, ethics, and/or integrity separately since there are proponents who believe these functions belong together or are synonymous (Hoffman et al. 2008), those that believe they should be integrated (Joseph 2002) or balanced (Saner & von Baeyer 2005), and others that believe the roles are different and should be separate. Supporting this last view, Adobor (2006, p. 72) states:

> *Organizations may need to reduce the scope of job responsibilities for ethics officers. For example, it should be possible to assign the corporate social responsibility and compliance dimensions of the job to other departments and corporate officers. In fact… some organizations are creating a dedicated compliance officer position, in addition to an ethics officer position.*

In summary, the implications of this section is that the *roles* espoused by an ECIP will help inform the proper selection of competencies which can then be integrated into a development

program for ECIPs as training content to ensure they have the right mix of competencies over time. Additionally, tailoring the proposed competency model developed for this study to an organization's specific context is a recommended second step in the Canadian Public Service Commission's (1997) 10-step process for creating a competency profile. Finally, another key step in that process is to consider other relevant contextual factors, 'driven by the profile's intended purpose and application' (PSC 1997, p. 5) which introduces a subsequent topic.

5.2.1.2　Competencies with regard to organizational context

First introduced under the *Institutionalized Business Ethics Program* theory (IBEP), then subsequently under *Competency Based Management* theory (CBM), *Competency Based Learning* theory (CBL), and *Risk Management* theory (RM), the importance of context is concisely summarized by the PSC (1997, p. 8) who state: 'The importance and expression of competencies is intimately connected to the work environment and context.' Moreover, Ethics Officers charged with ethics training, according to Sekerka (2009, p. 92), 'believe that the organizational context must support the program'. Having demonstrated the link between context and both competencies and training content, contextual competencies are therefore reflected in the revised *content selection model for BE development*.

Organizational context is a nebulous construct (as depicted by a cloud in **Figure 5-2**, page 212, section ③) which can involve numerous factors. However, some common dimensions include *organizational culture* and *environment* (PSC 1997; Rossouw 2002; Stuart & Lindsay 1997)—discussed next, *control or ethics regimes*—previously discussed in Section 2.2.2, *organizational structure* (Adobor 2006; Hanson & Berman 2006; PSC 1997; Rossouw 2002), *independence* (Adobor 2006; Hanson & Berman 2006; Hoffman et al. 2008; Izraeli & BarNir 1998; Victor & Cullen 1988), *roles*—previously discussed in Section 2.5.1, Figure 2-29. Finally, Organization Specific Competencies (Crosthwaite 2012; New 1996; Stuart & Lindsay 1997) which can account for approximately 30 percent of an overall competency framework (Stuart, Thompson & Harrison 1995) included in this study comprise three that were ranked as very important (Tier 1) by practitioners—*organizational values and culture*, *organizational policies and instruments*, and *organizational risk areas*, while the other three were ranked as important (Tier 2)—*organizational plans and priorities*, *organizational ethics program*, and *organizational rewards and sanctions*, also discussed next.

Organizational Culture (Climate)

The ethical work climate or culture is defined *as the prevailing perceptions of organizational practices and procedures* (Victor & Cullen 1999). Although many studies include *organizational culture*—meso level, it is important to note that culture can further extend to divisions and work units—micro level, and therefore organizations are not likely to have a single unified and readily identifiable culture (Joseph 2002). A view further shared by Victor and Cullen (1988, p. 101) who state there are 'significant differences in ethical climates both across and within firms.' Further, culture is influenced by *leaderships style* (Joseph 2002; PSC 1997; Rotta 2010) and is therefore subject to change, and potentially quite rapidly and materially with a "changing of the guard", charged with setting the tone at the top.

A common critique of many competency models is that they are too generic and do not factor in *organizational culture* (Stuart & Lindsay 2007). Since every organization is unique and given the complexity of organizational culture and its implications on competencies, contemporary thought is that any model should not be taken at face value, but rather must be tailored (ERC 2007; PSC 1997) to provide contextual acclimatization. Discussion on environmental scanning and the relevant organizational competencies follows.

Environmental scanning (№ 50). Defined as being *able to scan the external and internal organizational environments to determine drivers that may lead to ethical risks*, respondents ranked this competency 29th amongst 35 SATs indicating this skill is important, though relatively less important than most others (Tier 3). This skill is reflected in **Figure 5-2**, page 212, under section ② as the *STEEP LEDGES* framework developed for this study.

The relative neglect of this competency within the extant business ethics literature, in comparison to others, tends to support a lower importance attributed by respondents. However, the mean score is indicative of almost a Tier 2 competency that illustrates that this skill is still important, and this seems consistent with several references. For example, Fredericksen and Martin (2009) speak of examining risk contextually. Moreover, the three industry profiles used as benchmarks each refer to this competency. According to Ezekiel (2006, p. 9), 'Ethics and compliance officers support the CEO by …monitoring the external environment'. Likewise, the ERC (2007, p. 21) states that '…responsibility for the identification and response to risk with regard to ethics and compliance should still fall under the purview of the CECO'. Finally, the EPAC (2001, p. 15) profile references the skill of

'[d]eveloping anticipatory risk management strategies' which is consistent with the use of environmental scanning for identifying emergent risks (Locklear 2011). A potential reason behind a lower score may be attributable to the choice of environmental scanning over other equally valid mechanisms for identifying emergent risks such as scenario planning or strategic foresight that may resonate better with some of the respondents.

Organizational values and culture (№ 21). Defined as *knowledge of an organization's ethical culture and espoused values* including factors such as the "tone at the top", respondents ranked this competency 1st amongst 26 knowledge elements indicating this knowledge is *very important* (Tier 1). As depicted in **Figure 5-2**, page 212, under section ④ as part of a *Contemporary Model of Institutionalized Business Ethics Program* adapted from Weber (1993), an organization's culture, along with its control or ethics regime, rewards and sanctions, and codes of conduct, policies, standards or other instruments all serve as inputs into a BE training program. Together, these organizational factors are consistent with Rossouw (2001) and Lermack's (2003) views pertaining to one of three underlying objectives behind training, that is, instilling *managerial competencies* or *perspective setting* (organizational context).

The importance of this competency is supported within the literature (Adobor 2006; Izraeli & BarNir 1998; Murphy & Leet 2007; Petry & Tietz 1992; Rossouw 2002; Saner 2010; Smith 2003). For example, ethics officers should have 'knowledge of their organization's culture' according to Joseph (2002, p. 331). Moreover, Gnazzo and Hanson (2012, p. 2) suggest that '"Ethics…is an art form, and to practice it, you have to understand the business you're in and how best to communicate its values to employees..."'. Further, four of seven benchmarks, including the three industry profiles, reference this competency (BRICE 2007; EPAC 2001; Ezekiel 2006). In addition, in discussing the need to tailor the role of a CECO, the ERC (2007, p. 16) states: 'Several characteristics will likely be strong determinants of the shape the ethics and compliance function takes [including] Organizational values or standards'.

Organizational policies and instruments (№ 22). Defined as *knowledge of organizational rules of conduct that restrict, prohibit, or limit unacceptable behaviours* as enshrined in ethics policies, standards, or codes of ethics, respondents ranked this *very important* (Tier 1) competency 4th amongst 26 knowledge elements.

Findings from the extant literature support this competency (Woodruffe 1993). For example, according to Gnazzo and Hanson (2012, p. 2) '"Compliance is not an art form-it's about rules, policies, and regulations."' Moreover, a 'general awareness… [of] broad organizational standard, policies, and procedures' is suggested by Joseph (2002, p. 339). Further, the three industry profiles used as benchmarks also reference this competency (EPAC 2001). For example, CECOs are expected to have knowledge and familiarity with 'SOX, FSGO and other relevant compliance standards' (ERC 2007, p. 26). Further, ethics and compliance officers are expected to 'engaging employees in the development of company values and ethical standards, and encouraging and empowering them to apply those values and standards during decision-making' (Ezekiel 2006, pp. 11-12).

Organizational risk areas (№ 26). Defined as *knowledge of ethical risk areas within the organization* such as knowledge of positions with special privileges or powers, access to proprietary information or intellectual property, or areas with few or no preventive, detective, and/or corrective controls, respondents ranked this *very important* (Tier 1) competency 8th amongst 26 knowledge elements.

While the extant literature on ethics does speak to this competency (Murphy & Leet 2007; Saner 2010; SCCE 2010), it is one of the least covered relative to other competencies. However, the findings of this study still supports the perceived importance as the literature does have its supporters such as the DII (2010, p. 3) who state: 'Identified risk areas may call for training for all employees or for select groups of employees in specific risk areas'. Anecdotally, discussion with a senior government official in charge of departmental ethics indicated he perceived risk assessment, and correspondingly knowledge of risk areas, under-utilized supporting the relatively lower mention of this knowledge element within the literature. This could possible indicate that risk management and risk assessment, despite being used by many practitioners, is often performed by ethics officials who may not have the requisite skills in risk management or formal training and experience (Dienhart 2010) as first suggested under Section 2.4. Therefore, importance is perceived in the minds of practitioners (high mean score), even though the necessarily competencies may not be fully developed (sense of being under-utilized), or perhaps not effectively or efficiently utilized or that risk assessment is only informally performed. This hypothesis appears further supported by Sekerka's (2009, p. 86) study on best practices in which performance of formal risk assessments to identify area of ethical risk had a low presence yet had a high perceived value.

However, Sekerka's (2009) study only examined eight US high-tech organizations so further research in this area may be warranted. Finally, none of the benchmarks referenced this competency.

Organizational plans and priorities (№ 23). Defined as *knowledge of organizational plans, priorities, and goals and their implications for organizational ethics*—e.g., plans to outsource certain functions, respondents ranked this *important* (Tier 2) competency 11th amongst 26 knowledge elements indicating a strong penchant towards being very important.

The importance of this competency is supported within the literature (Adobor 2006; Izraeli & BarNir 1998; Murphy & Leet 2007) and two industry profiles benchmarks (cf. EPAC 2001; ERC 2007). For example, Mendonca (2001, p. 271) suggests that ethical leadership responsibility 'can only be properly exercised when the organization's goals and objectives consistently guide the leader's decisions…' Moreover, Joseph (2002, p. 318) indicates that '…ethics officers need to clearly understand their organizations' priorities…'

Organizational ethics program (№ 24). Defined as *knowledge of the organization's type of ethics program and its components* such as an aspirational vs. a compliance-based regime, and program components such as an ethics hotline, training program, and so forth, respondents ranked this competency 11th amongst 26 knowledge elements indicating this knowledge is *important* (Tier 2), with a strong penchant towards being very important.

The importance of this competency is also supported within the literature (Izraeli & BarNir 1998; Petry & Tietz 1992) and one industry profile benchmark (Ezekiel 2006). For example, Murphy and Leet (2007, pp. 27-28) suggest that new prospects wanting to get involved in ethics or compliance should learn and examine the makeup of an organization's ethics and compliance program. However, given the large variability in ethics programs (Ezekiel 2006) there is no consensus on the best approach to implement an ethics program or its many components. Therefore, references provided may not include a holistic and comprehensive view of an ethics program and may focus on a subset of particular elements such as the ethics-training program, and so forth.

Organizational rewards and sanctions (№ 25). Defined as *knowledge of organizational means of recognition to encourage or reinforce desired behaviours and disciplinary*

measures for misconduct, respondents ranked this *important* (Tier 2) competency 14th amongst 26 knowledge elements indicating a strong penchant towards being very important.

There is support from the literature (Petry & Tietz 1992; Rossouw 2002; Smith 2003) and one industry profile benchmark (Ezekiel 2006). For example, the Business Roundtable Institute for Corporate Ethics (BRICE 2007, p. 7) suggests: 'Students will need to understand, for instance, the influence of …incentive systems, …performance management systems, and leadership on employees' ethical behavior.' Likewise, Murphy and Leet (2007, p. 132) suggest that a model curriculum for compliance and business ethics includes discipline, evaluation and incentives.

In sum, environmental scanning and a number of Organization Specific Competencies (OSC) that can account for approximately 30 percent of the competencies in a competency profile or model were discussed in the context of the research findings from Chapter 4 and extant literature from the three parent theories in Chapter 2. Turning from internally focused organizational factors, the next topic discussed is external or macro-level factors.

Organizational (Macro) Environment

An organization's macro environment is influenced by a great number of factors including market forces influenced by customers, competitors and other stakeholders, as well as 'political, social, economic, technological, and environmental issues and factors' (Stuart & Lindsay 1997, p. 28). Moreover, other dimensions such as legal, geographical, ethical, and demographic reflected in the STEEP LEDGES environmental scanning framework have impact on the organizational environment and influence the selection of OSCs.

As previous mentioned, environmental scanning, along with other means such as scenario planning, strategic foresight, or anticipatory management serve as mechanisms for identifying emergent risks (Locklear 2011)—discussed next. Further, environmental scanning, as a means of identifying risks, is a first step in the broader risk management process which then includes assessing emergent and current ethical risk, discussed further below.

Emergent issues (№ 11). First referenced in Section 2.4.1 (RM theory), and defined as *knowledge of rising, developing, or resurfacing ethical issues* such as social media addiction,

respondents ranked this competency 10th amongst 26 knowledge elements indicating this knowledge is *important* (Tier 2), though practically very important.

There is relatively less references supporting this knowledge item (Di Norcia 1998; Murphy & Leet 2007). However, two industry profile benchmarks refer to emergent issues. For example, Ezekiel (2006, p. i) suggests: 'Forces such as globalization and technological change often require these individuals [—integrity managers,] to deal with issues that have few or no precedents'. Further, according to the ERC (2007, p. 29), 'CECOs should maintain …Up-to-date knowledge of emerging standards, legal, and regulatory issues'. One possible explanation behind the lower number of references for this issue relative to many others is that emerging risk identification is a relatively new topic with limited expertise. Supporting this view perhaps is Locklear (2011b) with an integrated Enterprise Risk Management (ERM) framework for managing extreme events (Locklear 2011) which augmented an adaptation of the ISO 31000 (2009) risk management process with organizational processes such as environmental scanning.

5.2.1.3   Risk Management

Turning from emerging issue and risk identification using environmental scanning, the next step in the EAE risk management process introduced in Section 2.4.1 and Figure 2-18 is risk assessment (e.g., LIP augmented framework) as depicted in **Figure 5-2**, page 212, under section ②. Risk assessment can be applied to both emergent risks—previous discussed, and current risks discussed next.

Ethical Risk Management (№ 52). Defined as being *able to identify and assess areas susceptible to ethical misconduct*, respondents ranked this competency 16th amongst 35 SATs indicating this skill is very important (Tier 1).

This competency appears to be supported within the literature (Fredericksen & Martin 2009; Rossouw 2002; Rotta 2010). For example, Murphy and Leet (2007, p. 62) talk of 'the crucial risk assessment process, which is needed in all compliance programs'. Further, three industry profile benchmarks refer to this competency (cf. ERC 2007). For example, EPAC (2001, p. 15) talks of '[i]dentifying and evaluating ethical risk' while Ezekiel (2006, p. 9) talks of 'evaluating integrity risks'.

Current Ethical Issues (№ 10). Defined as *knowledge of existing, present, or contemporary BE issues* such as internal disclosure or whistleblowing, respondents ranked this competency 3rd amongst 26 knowledge elements indicating this knowledge is *very important* (Tier 1).

This competency appears supported within the literature (Joseph 2002; Rossouw 2002; Saner 2010). For example, Murphy and Leet (2007) talk of knowledge of risk areas and awareness of issues. Further, five benchmarks, including the three industry profiles (Ezekiel 2006) reference this competency (BRICE 2007; Spurgin 2004). The EPAC (2001, p. 8) mentions that ethics practitioners should '[identify and analyze ethical issues and dilemmas facing individuals and organizations'. Moreover, the ERC (2007, p. 26) suggest that CECOs need '[f]amiliarity with leading thinking and research in business ethics and compliance'.

In sum, having fully covered the risk management (RM) parent theory and its implications on competencies, and having also discussed several other important factors for selecting appropriate content from both an integrated business ethics program (IBEP) and competency-based learning (CBL) parent theories, two additional elements are discussed before completing a revised *Content Selection Model for BE Instruction*.

5.2.1.4   Competency Layers

Many studies broadly define competencies into relatively few layers or "buckets" such as generic competencies, job specific competencies, and organization specific competencies (Crosthwaite 2010). Further, as previously suggested under Section 2.3.4.3, approximately 70 percent of competencies (Stuart, Thompson & Harrison 1995) may be universal, generic, or portable to similar roles while the other 30 percent remain contextually defined (e.g., organization-specific competencies). This universality or commonality is further supported by a study of Fortune 500 ethics officers that found that approximately 75 percent shared similar responsibilities and presumably related competencies (Joseph 2002). Finally, according to Smith (2003), organizational roles for ethics officials transcend both private and public sectors.

Findings from this study seem to lend further support to this commonality proposed by (Crosthwaite 2010; New 1996; Stuart, Thompson & Harrison 1995) as 58 percent of the knowledge competencies are considered the most important (Tiers 1 & 2). Further, 80 percent of the skill, ability, or trait-based competencies are also considered the most important (Tiers

1 & 2). Together, these 43 Tiers 1 and 2 competencies (70 percent) would be considered most important by practitioners irrespective of sector, industry, and other organizational factors. This 70-30 split is reflected within **Figure 5-2**, page 212, under section ①, *generally portable competencies* from the conceptually developed and empirically validated BE competency model describe further below, and section ③, *contextual competencies* that each organization would need to tailor and define using risk management practices.

5.2.2 Research Problem Conclusion: Important BE Practitioner KSAOs

Turning from conclusions and discussions about the research issue, this section goes beyond mere numbers to incorporate qualitative findings about the research problem. Further, it provides a conclusion and discussion surrounding the main research problem set out in Chapter 1:

> *What competencies are important for job performance to business ethics practitioners in industry and how do their perceptions compare with those of academia?*

However, a caveat is warranted before addressing the research question. The overarching intention of this exploratory and descriptive study is not to be prescriptive as every organization is unique, and as previously stressed, context is fundamental. Therefore, the proposed recommendations must be tailored to an organization's unique context (ERC 2007). Risk identification (i.e., environmental scanning via the STEEP LEDGES model) and risk assessment (i.e., via the extended LIP model) provide a means of assisting in this chore. As a result, some recommended KSOAs would no doubt be inapplicable, or be less applicable relative to other competencies. Still, some KSAOs may be entirely missing. The sheer number of unique competencies identified as part of the initial survey of the literature (numbering over 425) assures this. Therefore, the answer to the research question constitutes an informed suggestion, baseline, or departure point only. Moreover, the relevance of the findings may only apply for a limited time (e.g., 5-10 years) since the very nature of the job is ever changing. However, it is suspected that a certain core will remain appropriate well beyond this medium-term horizon, as in the case of many of the benchmarks considered.

"Ideal" number of competencies for a competency model

A thorough literature review in Chapter 2 sought to address the question: *How many competencies should a competency model or profile have?* Contextually there is general recognition amongst practitioners that the responsibilities of ethics and compliance officers are growing (ERC 2007). This field is still very malleable, undefined, and subject to rapid

skill inflation. For example, the ERC (2007, p. 6) suggest: 'The knowledge, skills, and experience needed to fulfill the duties of the CECO [Chief Ethics and Compliance Officer] far surpass previous expectations.'

A mean value of 46 KSAOs was derived from the *analysis*, *synthesis*, and *evaluation* of 57 competency models, profiles, research articles and other documents used to address this question. In contrast, it is worth noting that the *theoretical* rule of thumb or heuristic proposed by some authors for an "ideal" number of competencies within a competency model is substantively lower than the *empirical* mean of 46 competencies calculated for this study. For example, according to Campion et al. (2011, pp. 248-9), '[t]here really is no ideal number of competencies... our collective experience is to keep it to around 12.' Moreover, the Canadian Public Service Commission (PSC 1997, p. 10) also supports this rule of thumb, stating 'as a guideline you may find it useful to limit the number to 12 key competencies'. According to Vazirani (2010, p. 125) 'a group of 7 to 9 total competencies are usually required of a particular job'. Finally, according to Gartner (2000, p. 1), '...organizations should narrow their list of competencies to 25 or 30, and use those as the building blocks for competency models.' The scale of recommended competencies from various authors ranged from a low of seven (Vazirani 2010) to a high of 30 (Gomolski 2000) which is still significantly lower than the empirical mean.

In brief, the *theoretical* ideal number of competencies proposed for a model ranged from seven to 30 while the *empirical* ideal for the number of competencies was 46 competencies. The model developed for this study includes 33 baseline Tier-1 and another nine optional Tier-2 competencies for a total of 42 KSAOs.

5.2.2.1 BE competency model

A conceptually developed and empirically validated *proposed business ethics competency model* containing 33 very important Tier-1 and optionally 9 almost very important Tier-2 knowledge, skill, ability, or trait-based competencies was developed to answer the research question, as presented in **Figure 5-1**. These 42 KSAOs stem from an original proposed model of 61 competencies developed based on a thorough literature review from Chapter 2. This model builds upon Figure 2-13 in Section 2.3.4 and tries to provisionally allocate the competencies against the six roles of ethics officials identified in Figures 2-12 and 2-13 and discussion of Section 5.2.1.1.

Recall from Section 1.6 on delimitations that the competencies in **Figure 5-1** are most appropriate to ethics practitioners within the Canadian federal public service since a majority of survey respondents where Canadians (55 percent) and 61 percent of documents analysed were Canadian content. However, a third (33 percent) of respondents were US residents (Table 4-4, Section 4.2.2) and almost another third (31 percent) of document analysed were US-centric while 12 percent of survey respondents were international and eight percent of the documents analysed were international as well, therefore the research findings may have potentially broader applicability, though further empirical research would be required.

Figure 5-1: BE competency model

(*Source*: developed for this study using document analysis and survey data from Chapter 4)

Items appearing in **bold blue** are *very important* Tier-1 skill, ability, or trait-based competencies, where the number preceding the competency relates to ranked importance

based on means values provided in the Phase II survey. Items in *italicised blue* with a "†" suffix are Tier-2, *almost very important* skill, ability, or trait-based competencies. Items in **bold red** are *very important* Tier-1 knowledge-based competencies while those appearing in *italicised red* with a "†" suffix are Tier-2, *almost very important* knowledge.

Core and role-specific competencies. KSAOs at the centre of the model represent *core competencies* that apply generally to most of the roles. For example, having *integrity* and being *honest* are traits that apply to all six roles. In contrast, those competencies appearing on one of the six arms relate primarily to a specific role. For instance, being able to perform *risk management* and *championing* an ethics program are primarily linked to managing or directing an organizational ethics program. Finally, those competencies appearing on bi-directional arrows apply to more than one role, but not likely all six roles. For example, *advising* and having *empathy* relate primarily to the roles of advisor and counsellor. Similarly, being *discreet* and *trustworthy* primarily related to the roles of advisor, counsellor, and investigator. Finally, being *fair*, *impartial*, and *tactful* relate to the roles of advisor, counsellor, investigator, and manager.

It is important to note that the allocations of KSAOs, though not arbitrary, are tentative at best and could serve as a topic of future research as discussed in Section 5.8. It was deemed that rather than clumping all of the competencies together, at least a provisional assignment against popular roles could serve to make the model more pragmatic. Finally, the provisional allocation is not meant to be exclusive of other roles. In other words, despite being allocated to one or more specific roles, a particular competency may also apply to other roles not associated, although likely to a much lesser degree of frequency or applicability.

5.2.2.2 Intended purpose

The final piece of **Figure 5-2**, page 212, reflected under section ④ is the intended purpose or overarching objectives of a training program first introduced in Section 2.2.3. According to Trautman (2012, p. 1), 'at a very minimum, the goal of every educator should be to successfully transmit a clear understanding of the **core body of knowledge** and **competencies germane** to any scholarly discipline' (emphasis added).

Both Rossouw (2002) and Lermack (2003) posited three objectives that include teaching for the purposes of instilling *cognitive (knowledge)*, *behavioural (skills)*, and/or *managerial competencies (perspective setting)*. The latter has been previously discussed under Section

5.2.1.2 on organizational context and the top tier of the proposed taxonomy of competencies for this study divides KSAOs into two broad categories—first, knowledge, and second skills, abilities, and traits (SATs) which address the other two categories.

Finally, future research may which to decompose the second broad category of SATs into separate categories as some proponents suggest that knowledge and skills can be taught, while talents (traits in this study) cannot (Buckingham & Coffman 1999). Still, others suggest that some competencies (e.g., personality traits, motivations) cannot directly or easily be measured in behavioural terms (e.g., flexibility, cooperation, autonomy) (Vazirani 2010, p. 128). On the other hand, some proponents suggest that virtually any KSAO can be taught, as postulated by McClelland (1973, p. 8) who stated: 'It is difficult, if not impossible, to find a human characteristic that cannot be modified by training or experience...' Arguably, there may be consensus that some KSOAs are simpler or less time consuming to teach and therefore many suggest hiring for abilities and traits for instance, while focusing the efforts of a training program on instilling knowledge. Finally, alternative uses of a competency model are also reflected in **Figure 5-2**, page 212, section ④.

5.3   KSAO differences between BE Practitioners and Academics

This section provides answers to the sub-question, "How do perceptions of important KSAOs differ between business ethics industry practitioners and academics?" based on findings from Section 4.5.

5.3.1   Knowledge-Based Competencies, Document Analysis Data

As noted in Section 4.5.1, six knowledge-based competencies had materially different rankings despite significantly lower average frequency counts for academics. Table 4-12 shows competencies that appear over-emphasized by academics or over-emphasized by practitioners. For example, five knowledge-based competencies appear *over-emphasized* by academics compared to practitioners. These are: *international ethical issues*, *environmental ethical issues*, *cases*, *marketing and sales issues*, and *information and communications technology (ICT) issues*. A sixth competency with a materially different ranking is *org. plans and priorities,* which appears over-emphasized by practitioners.

Potential reasons for perceived differences between industry and academic texts
This section provides tentative explanations behind the significant differences of frequency counts for knowledge-based competencies within industry and academic texts.

(i) Cases. On the surface, for the most part these findings appear to be plausible since many academic business programs rely heavily on *cases* as part of their courses. For example, the Harvard Business School is sometimes credited as having introduced the use of case studies as a teaching method in graduate business programs, and this method appears common amongst other schools. However, *cases* or shorter vignettes are also used in organizational training course for professional development, albeit with less importance according to the practitioner findings.

(ii) Marketing and sales issues. *Marketing and sales issues* are a functional business issue therefore their emphasis in academic business programs and by extension academic texts seems common sense. Further, although this topic has been around for some time the *issue life cycle* for *marketing and sales issues* may still be in its maturity phase within academic circles but may be declining within the practitioner community. Moreover, a low rank for *marketing and sales issues* for practitioners is not altogether surprising given a sizeable government demographic described since many issues such as false advertising and price discrimination may not apply within a government context thereby creating a larger gap.

(iii) Information and communications technology (ICT) issues. Similarly, *ICT issues* are a functional business issue so their emphasis in academic business programs and by extension academic texts would seem to make sense, although, it is expected that advances in information and communications technology will lead to many ethical issues that will be faced by practitioners (e.g., social media addiction).

(iv) International ethical issues and (v) environmental ethical issues. Perhaps less intuitive however are *international ethical issues* and *environmental ethical issues* which are more specialized topics that may not necessarily be part of a typical academic business program. One plausible explanation may be due to the very nature of the documents analysed in Phase I and *issue life cycles*. For example, many of the academic documents analysed are textbooks or research papers ranging in date from 1987 to 2010, with a sizable majority published in 2006 or earlier. In contrast, much of the practitioner texts are newer, ranging from 1999 to 2011 with a sizeable majority published in 2006 or later. The 20th anniversary of Earth Day was in 1990 and the environmental movement as well as globalization and international issues were in their heydays between the 1970s and late 1990s at a time that much of the academic material was written. Additionally, textbooks require protracted periods to write and edit and therefore these manuscripts may have been drafted several years prior to their date of publishing when these issues were more topical. Further, many of these

textbooks are newer editions where the bulk of the content may originate from content published years in the past. These newer editions may retain much of the content from prior editions including environmental and international issues that were written in their heyday.

In contrast, newer job advertisements and other practitioner documents would be less inclined to contain topics on the environment and international business compared to older academic text written in the heydays of these issues. Moreover, the difference between academics and practitioners may be due to risk-related factors discussed in Section 2.4 since practitioners may base their importance on perceived risks to an organization. A sizeable sample of Canadian PS job advertisements (67 percent of practitioner documents) were analysed in Phase I and international business or environmental ethical issues are not likely to figure prominently with this demographic as key risk areas. In brief, *international ethical issues* and *environmental ethical issues* were in a mature issue life cycle at a time when academic texts were written and may now be in a declining phase of maturity as reflected in more recent practitioner documents.

(vi) Organizational plans and priorities. Finally, one knowledge-based competency from the document analysis data, *organizational plans and priorities*, appears over-emphasized by practitioners relative to academic texts. The fact that this is an organizational knowledge-based item makes this finding more intuitive yet one may have also anticipated that at least some of the other organizational knowledge-based items such as *organizational policies and instruments* or *organizational rewards and sanctions* could have also had similar over-emphasis. Additional empirical research may be able to shed light on this result.

5.3.1.1   Knowledge-Based Competencies, Survey Data

Results in Figure 4-14 indicated that in the case of seven knowledge-based competencies, there were significant differences between academics' and practitioners' perceived average importance. These items include: *Corporate Social Responsibility*, *BE theories*, *environmental BE issues*, *international BE issues*, *inter-organizational BE issues*, *accounting & financial BE issues*, and *marketing & sales BE issues*, all of which ranked amongst Tier-3 (least important) competencies. Together with the document analysis findings previously described, ten of 26 unique knowledge-based competencies appear to have significant difference in terms of perceived importance between practitioners and academics.

Of the ten knowledge-based competencies with significant perceived differences of importance identified within academic or practitioner texts as part of the document analysis or identified by survey respondents, three competencies were flagged as being significantly different using both methods and academics ranked their importance significantly higher than practitioners. These are *environmental BE issues*, *international BE issues*, and *marketing and sales BE issues* which have been discussed previously.

Potential reasons for different importance between industry/academic survey responses
This section provides tentative explanations behind the significant differences of opinions on the importance of knowledge-based competencies perceived by practitioner and academic respondents.

(i) Theories. According to Figure 4-14, *ethical theories* ranked last place. Moreover, from a practitioner's perspective *ethical theories* ranked last place as a Tier-3 competency while academics ranked *ethical theories* tied in second last place as a Tier-2 competency. Based on the survey data, it appears that there is consistency amongst practitioner and academic survey respondents. Overall, academics generally attributed higher importance to all knowledge-based competencies. Supporting this view, only nine knowledge-based competencies were identified as Tier-1 by practitioners in contrast to 20 knowledge-based competencies identified as Tier-1 by academics. This *inflationary effect* on knowledge-based competencies by academics is one likely reason behind the difference of opinions on relative importance. The other, most obvious reason is that practitioners are far more likely to find *ethical decision-making frameworks* (rank № 5) more relevant in terms of providing guidelines or principles than *ethical theories*.

Reasons for lower academic ranking of ethical theories. However, the generally low perception on the overall importance of *ethical theories* by academics seems to be in stark contrast to the Chapter 2 literature review (Table 2-1, Section 2.2.3) in which several authors suggest an over-emphasis on theory by academics. A few potential reasons for the lower overall emphasis were presented in Section 2.2.1.3. Aside from those tentative reasons, another plausible explanation behind this seemingly incongruence may lie in a shift in thinking by academics who may realize that pragmatic *decision-making frameworks*, not theories, are more beneficial to practitioners. This reasoning seems consistent with recent academic material. For example, Treviño and Nelson (2004, p. xv) described their book as being more pragmatic in wanting 'to make the study of ethics relevant to real-life work

situations' by addressing a common complaint to '"Make it real"' (Treviño & Nelson 2004, p. xv). Their pragmatic eight-step ethical decision-making model is a step in this direction.

(ii) Inter-organizational ethical issues. Somewhat surprisingly, academics significantly perceived *inter-organizational ethical issues* as more important than practitioners. A potential rationale is the *inflationary effect* on knowledge-based competencies by academics previously mentioned for theories. Perhaps another reason for a higher academic mean score is because examples provided in the survey questionnaire to define *inter-organizational ethical issues* such as competitor intelligence gathering, mergers and acquisitions, and collusion, may not be relevant or applicable to a sizeable government demographic.

(iii) Accounting and finance ethical issues. Although not surprising to see academics rank this knowledge-based competency very high (№ 6) since accounting and finance are foundational aspects of any business program, it was somewhat unexpected to see practitioners rank this competency much lower (№ 19). A potential explanation behind this lower practitioner rank may include the potential inapplicability of examples provided in the survey instrument such as insider trading which would not apply to a significant government demographic of practitioners.

In brief, significant differences in perceived importance by academics and practitioners for knowledge-based competencies were identified and rationalized. This next section considers significant differences uncovered for skill, ability, and trait-based competencies.

5.3.1.2   Skills, Abilities, and Trait-Based Competencies, Survey Data

Results in Figure 4-15 indicated that in the case of three skill, ability, or trait-based competencies the null hypothesis was rejected indicating there were significant differences between academics' and practitioners' perceived average importance. These items include: being *respectful*, being *impartial*, and able to conduct *risk management* and a cursory review of Figure 4-6 shows that the three competencies all ranked amongst Tier-1 (most important) items for practitioners.

Potential reasons for different importance between industry/academic survey responses
This section provides tentative explanations behind the significant differences of opinions on the importance of competencies perceived by practitioner and academic respondents.

(i) Respect. Practitioners' higher perceived importance of being *respectful* is understandable as their livelihood stems on many interpersonal and professional soft skills such as *respect*,

honesty, and integrity that are not typically addressed in academic business programs geared towards instilling knowledge primarily. Many of these softer skills are expected to be either innate to people, or learned on the job.

(ii) Impartial. A higher attribution of importance to being *impartial* by practitioners is understandable as a professional's reputation and credibility would rest heavily on how they are perceived by others. Many of the softer skills, abilities, or traits are typically not well addressed within academic business programs to allow for greater emphasis on knowledge-based (cognitive) learning activities as depicted in **Figure 5-1**. Moreover, being *impartial* is not something easily taught by academics therefore it would appear natural, at least on the surface, that such skills would be under-emphasized by academics.

(iii) Risk Management. Chapter 2 suggests a low adoption of the best practice to conduct ethical risk exploration and assessment (cf. Alberts & Dorofee 2009; Sekerka 2009) however this does not seem consistent with survey respondents. One may expect that a strong survey demographic with a business or related background would be inclined to find importance in conducting risk management as this is a common skill amongst many different areas of management and business. Finally, the academics' low importance attributed to *risk management* (rank № 32) is not altogether surprising since many business programs tend to focus on financial indicators such as return on investment (ROI), breakeven point, and net present value (NPV) of options as opposed to softer risks such as reputational, ethical, and so forth.

In brief, this section discussed divergent viewpoints between academics and practitioners in terms of perceived importance of competencies, along with some tentative explanations. Further, it presented potentially over or under-emphasized competencies for consideration in developing training content as part of an organizational ethics or academic program.

Other qualitative findings.

In performing a rigorous literature review in Chapter 2, three additional qualitative findings of interest were observed. These issues may serve future researchers and include *competency homogeneity*, *skill inflation*, and *ad inflation*.

(1) Competency Homogeneity. Based on the *generic competency model* developed and described in Figure 2-14, a good deal of commonality was observed with the broad and generic competency categories (e.g., "communications", "interpersonal", "personal or self-

management", and "leadership") and individual competencies amongst industry providers of competency-modelling (e.g., Lominger, Hay-McBer, and Personnel Decisions International) and other models (e.g., public sectors). For instance, competencies such as "drive", "planning", "creativity/ innovation", and "flexibility" all have equivalents amongst the various competency models. This finding is consistent with an observation from Schippmann et al. (2000, p. 709) who conducted a 2-year investigation into the antecedents of competency modelling and observed 'a curious homogeneity across organizations in the dimension-level taxonomies used to represent job content…' This finding is also consistent with an observation by Thompson, Stuart and Lindsay (1997, p. 61) who state: 'simple comparisons of lists of competences produced by different organizations and under different research circumstances demonstrate a similarity'. Finally, Campion et al. (2011, p. 246) also support this observation, stating: '...competencies associated with effective leadership are often highly similar across organizations and industries.' Finally, this further supports the concept of generic and contextual competencies.

(2) Skill inflation. According to Gallivan, Truex and Kvasny (2004, p. 66) the importance of nearly all skills is expected to increase over time. In other words, once a skill is required, its overall importance is not likely to wane over time. However, based on other literature reviewed in Chapter 2, an issue's *life cycle* may change over time; therefore, knowledge-based competencies in particular may become obsolete or be replaced by knowledge that is more important over time. Further, Figure 1-2 introduced the notion of future or forward-looking competencies that may take precedence over current competencies making them obsolete over time.

(3) Ad inflation. According Todd, McKeen and Gallupe (1995), the average length of job advertisements has increased over the past few decades. This "skill inflation" seems to coincide with a trend in government to "do more with less". However, according to the research findings in Phase I of this study relating to 58 Canadian Public Service job advertisements posted from 2006 to 2011, the average length of job advertisements for ethics practitioners seems to have decreased over a number of years as illustrated in Table 4-3. Given the apparent disparity between this study's observations and those proposed by Todd, McKeen and Gallupe (1995), additional empirical research is likely warranted.

5.4   Implications for Theory

This research has contributed towards understanding important business ethics roles and associated competencies for ethics, compliance, and integrity practitioners (ECIPs)—**Figure 5-1**, and the differences of perceptions of academics as explained in the previous sections. The study also made contributions to the wider parent theories of Competency Based Management (CBM), Risk Management (RM), and Institutionalized Business Ethics Programs (IBEP), and presents an innovative framework which integrates the three theories into a *model for content selection for business ethics development*—**Figure 5-2**, as follows.

Competency Based Management (CBM)

This study extends existing research in three ways. First, it provides an empirically validated BE competency model of important and very important knowledge, skills, abilities, and other characteristics (KSAOs) for ethics, compliance, and integrity practitioners (ECIPs) which serves as a general baseline of competencies, independent of organizational context. As such, it adds further support to the extant literature (cf. New 1996) for the presence of both general and contextual competencies. Next, the study focuses on key organizational context factors important for role performance such as organizational culture and the organizational environment. Together, these generic and contextual competencies are integrated into the *model for content selection for BE instruction*. Third, the study introduces a number of new or extended models such as the Business ethics (BE) competency architecture (Figure 2-13), a historical development of competency-based management and its adoption to a BE context (Figure 2-6), and the Uses, Benefits, and Stakeholders (UBS) Framework for Competency Models (Figure 2-9) focused primarily on learning, training, and development. These models may serve future researchers as a starting point in their own studies.

Risk Management (RM)

This study extends existing research in three ways by proposing an innovative framework for managing *emerging* or *pervasive* risks—primarily *very high-likelihood and very low-impact events* which typify many ethical issues facing organizations, as suggested by Petry and Tietz 1992, p. 23) who state:

> Perhaps more important, an EO [Ethics Officer] can help with the seemingly **minor ethical matters which**, *if left unattended*, **can cumulatively have** *as* **serious** *an* **impact** *on an organization as the rarer but more publicized cases.* (Emphasis added)

First, the research augments traditional *environmental scanning* with the *STEEP LEDGES* macro and meso-environmental framework. The most recent public model—LoNGPESTLE, is extended by including two additional constructs (education and stakeholders) which allows risk managers and other business stakeholders to explore and contextualize issues and risks facing their organization more comprehensively and systematically. Second, the extended *LIP* risk assessment framework includes a new *prevalence* construct augmenting traditional risk assessment variables of *likelihood* and *impact*. Together, these two augmented frameworks are integrated within the *content selection model for BE instruction* (**Figure 5-2**). Third, the study proposed a new paradigm for expressing issues and risks to decision-makers. Along with the two other innovations, this trio contributed to augmenting risk management practices, especially risk identification, assessment, and reporting.

Institutionalized Business Ethics Programs (IBEP)

This study extends existing research in three ways. First, the study expands upon Weber's (1993) model through the inclusion of other contemporary factors pertinent to an institutionalized business ethics program such as an organization's ethics control regime—a key input to an ethics-training program. Second, the study expands upon the BE training program and uses the logic model (inputs, process, and outputs) to group training program elements to allow for focused attention on training content, while also touching upon three high-level objectives of a training program, notably to instil cognitive, behavioural, and contextual competencies. Together, these frameworks are integrated within the *content selection model for BE instruction*.

Finally, a number of these individual contributions have been consolidated into a comprehensive revision of the *content selection model for BE instruction*, described next.

Proposed revised BE instructional content section model and rationale

The research problem of risk-informed BE competencies as training content for industry practitioners evolved from three parent theories of an institutionalized business ethics program (IBEP), competency-based learning (CBL), and risk management (RM). Moreover, this model was revised incrementally in Section 5.2.1 and is now introduced as **Figure 5-2**.

Figure 5-2: Revised content selection model for BE instruction

(*Source*: developed for this study; revised Figure 1-1, based on Section 5.2.1 discussion)

This study posited that training content within an organizational ethics-training program could be effectively addressed through two factors. First, key competencies identified as a *baseline* (43 KSAOs identified in this study—**Figure 5-1**, represented as Section ① in **Figure 5-2**). Second, *augmented* and *tailored* KSAOs, including knowledge of current and emergent organizational risks and issues identified using the STEEP LEDGES augmented environmental scanning model, then risk-assessed using the LIP enhanced model depicted in Section ② of **Figure 5-2**). This approach of a *baseline*, augmented based on a *risk assessment* is well-enshrined in information security practice and Risk Management philosophy within the Canadian federal government as reflected within the *Management of IT Security* standard which states that '…specific implementation of the baseline requirements and additional safeguards should be determined by risk management' (TBS 2004, p. 1). Further, this concept is similar to the implementation of a *Statement of Applicability* from the ISO 27001 standard. Resultant contextual competencies from the risk management processes are depicted as a cloud in Section ③ of **Figure 5-2**. Finally, this tailored set of KSAOs is used to help provide appropriate training content in an institutionalized business ethics program, depicted as Section ④ in **Figure 5-2**.

In brief, risk exploration and assessment serve to *tailor* and *augment* (by identifying BE risks and issues appropriate to a specific organizational context which includes both external and organizational environments) the 43 *baseline* competencies (Practitioner KSAOs) identified in this study as no single model can account for all organizational contexts and operating environments.

5.5 Implications for Practice

As posited in Chapter 1, little guidance is available for practitioners in terms of determining the most suitable content for training and development purposes given the lack of agreement on the job and functions of business ethics, compliance & integrity practitioners (ECIPs). A view supported by Smith (2003, p. 634) who suggests that 'business ethicists have struggled to define the role of the ethics officer'. Moreover, 'to date little consensus has been achieved concerning the professional qualifications, skill sets, experience and time required for implementing, managing and maintaining accountability for ethics and compliance programs' (Ezekiel 2006, p. 4). Further, the position of ECIP is still nascent and malleable, with debates still taking part on whether or not the functions belong together or are should be treated

separately. As such, there is still a dearth of established or credible development programs. This view is supported by Adobor (2006, p. 73) who states: 'As a relatively new position, there may be a lack of existing management development programs for ethics officers.' Finally, even when requisite competencies have been identified and tailored to a specific context, organizations will want to consider hiring candidates with certain KSAOs—e.g., traits such as integrity and honesty, and training for other KSAOs—e.g., many of the knowledge-based competencies. A viewed shared by the PSC (1997, p. 22) who state: 'You must distinguish between what competencies you expect candidates to bring with them, and what competencies they should develop once they are on the job.'

Figure 5-1, the *BE Practitioner's competency model*, provides a starting point or baseline set of KSAOs that training and development departments can use to provide direction for developing or expanding their training programs. This may also involve modifying existing courses to better align with identified and tailored competencies. Further, and much as Locklear (2011, p. 1) proposed 'an innovative framework for managing emerging risks within an overall enterprise risk management (ERM) program', this study proposes **Figure 5-2**, the *Revised Content Selection Model for BE Instruction*. This model innovatively leverages Risk Management theory, in particular augmented risk identification (STEEP LEDGES environmental scanning) and risk assessment (LIP) models to tailor the baseline KSAOs and augment them based on organizational context, looking both at emerging and current risks.

In addition to identified KSAOs as part of this study that practitioners can leverage to build various facets of their institutionalized business ethics program, including training content, a number of recommendations have been created to guide practitioners in selecting additional competencies to augment or tailor existing competencies identified in this study. These guidelines incorporate research findings and are essentially lessons learned. They are based primarily on an extensive review of dozens of industry competency models analysed as part of the Chapter 2 as well as 58 job advertisements analysed as part of the Phase I document analysis.

5.5.1 Implications for the Canadian Public Service

This study focused heavily on ethics practitioners within the Canadian federal public service, the nation's single largest employer. Further, in Section 4.2.1, results of the document

analysis of 58 job advertisements for a broad variety of ethics positions within the Canadian federal public service between 2006 and 2011 were presented.

Job Advertisements for Canadian Public Service (PS) Ethics Positions
This section provides a brief discussion and recommendations to address perceived issues that may have important implications for practice for the Canadian Public Service.

Based on the Canadian PS job advertisements analysed in Phase I, some findings were uncovered (see **Table 5-1**) that are perhaps worthy of additional study. Several of these findings also apply to other competency models examined during the literature review of Chapter 2 and may have broader-ranging implications beyond merely the Canadian PS.

Table 5-1: Observations, implications, and recommendations drawn from Canadian PS job ads

№	Observation and Implication	Recommendation	☑
1	**Competency materiality** (applicability) – competencies are not appropriate in many cases as "competencies" actually represent broad functions, concepts, or bodies of knowledge. Examples of non-testable, immaterial competencies are *project management* and *personality*.	Use specific competencies such as "Experience using MS Project" or "Certification in Project Management".	e.g., ✓
2	**Competency recognition** (verifiability) – values & ethics professional certifications are still in their infancy. Reliance on these certifications should be guarded until the field matures further.	Use core competencies defined in this research to supplement professional certification.	e.g., ✗

(*Source*: Developed for this study)

Competency materiality (applicability). Many competencies appearing in job advertisements were not appropriate in several cases as these "competencies" actually represented broad concepts, job functions or bodies of knowledge (BoKs) that are themselves subject to separate professional certification and, as stated within the job advertisements, are not testable. For example, "project management skills", "experience in project management", or "knowledge of project management practices" appeared in several ads. Project Management is a very broad job function with its own well-defined Body of Knowledge (BoK) and professional certification (e.g., PMP$^®$ or PRINCE2$^®$).

From the job advertisements, it is unclear what specific aspects of project management were being sought. For instance, risk management, communications management, HR management, quality management, and so forth. Moreover, the issue of *competency materiality* occurs in other competency profiles as well. For example, "personality" appears as one of fourteen key leadership competencies for Associate Deputy Ministers (ADMs) and senior executives in the "La Relève" profile for the Canadian Public Service (PSC 1996).

Personality is a complex construct, itself construed from many other competencies. Similarly, one could argue that everyone should have a "conscience" and "values and ethics"; however, more specificity would be required understand the desired characteristics behind such vague constructs.

Recommendations to address *competency materiality*. Use specific competencies such as "Experience using MS Project" when required. Arguably, if a true Project Manager is required to perform values and ethics project development work, use a qualification such as "Certification in Project Management", in which case applicants would need to provide proof of certification (e.g., PMP® or PRINCE2®).

Competency recognition (verifiability). Professional certification schemes in the field of values and ethics are scarce and relatively in their infancy. Placing too much emphasis on industry certification in this field, as attestation to professional competence is potentially problematic until broader recognition exists for a common BE Body of Knowledge (BEBoK) and certification. For example, some job advertisements asked for "Certification in organizational values and ethics", "Professional certification in the field of ethics", "certificate from a recognized university or college in…ethics", "Possession of a degree from a recognized university in ethics…", or "Graduation with a post-secondary degree in the field of ethics...".

Recommendations to address *competency recognition*. This study sought to define through empirical research an objective set of core competencies for BE practitioners. Organizations can leverage the research findings and conclusions to ensure appropriate competencies are sought.

Implications for Organizational Ethics Programs

Building upon the previous **Table 5-1** that identified observations, implications, and recommendations stemming from PS job ads, this section includes additional observations, implications, and recommendations stemming from dozens of practitioner competency models and other relevant material reviewed as part of Chapter 2, as reflected in **Table 5-2**.

Table 5-2: Observations, implications, and recommendations drawn from competency models

№	Observation and Implication	Recommendation	☑
1	**Competency granularity** – there is an apparent 'lack of agreement between researchers on what is the most appropriate level of specificity for describing a skill or attribute' (Wise et al. 1990, p. 3). This chronic issue has been around for a couple of decades and persists to this day.	Use specific wording - e.g., "ability to communicate orally in providing presentations" rather than vague descriptions such as "communications".	e.g., ✓
2	**Construct Confusion** – many competency models confound	Avoid confusing competence with	e.g.,

№	Observation and Implication	Recommendation	☑
	competency with competence. For example, competency models restrict certain competencies such as *strategic thinking* to a specific hierarchical or proficiency level, rather than providing effective behavioural indicators (BIs) across each proficiency level.	competency. Defined each competency with 4-5 demonstrably different behavioural indicators (BIs).	✘

(*Source*: Developed for this study)

***Competency granularity (degree of specificity)*.** Competency granularity is arguably the most important challenge to defining appropriate competencies and appears to have chronic recidivism. There is a wide disparity on the level of specificity used to describe competencies observed within the extant literature. This observation is as valid today as it was over twenty years ago as identified by Wise et al. (1990, p. 3) who noted the 'lack of agreement between researchers on what is the most appropriate level of specificity for describing a skill or attribute.'

Recommendations to address *competency granularity*. Vague or high-level descriptions such as "communications" are infinitely more challenging to measure and assess objectively than specific descriptions such as "ability to communicate orally in providing presentations".

***Construct confusion*.** Several competency models confound competency with competence – the boundary between competency levels (competence or proficiency) and competency types (categories) is ill defined. A finding also observed over two decades ago by Rumberger (1989). Some competency models restrict certain competencies to a specific proficiency level rather than providing effective behavioural indicators (BIs) across each proficiency level. For example, the *Profile of Public Service Leadership Competencies* from the Public Service Commission (PSC) of Canada (2003, p.5) appears to limit "strategic thinking"—embedded under its "cognitive capacity" competency and broader "intellectual competencies" category, to the Assistant Deputy Minister (ADM) hierarchical level:

Assistant Deputy Minister (ADM)
* *Formulating long-term (5-10 years) strategies*
Director General (DG)
* *Identifying medium-term (2-5 years) objectives*
Director
* *Working within the framework of short-term (1-2 years) goals*

Based on these limited descriptions, one could surmise that *strategic thinking* is limited to ADMs while tactical and operational thinking is limited to DGs and Directors, respectively. In this model, it appears that accountability for key activities of strategic (long-term), tactical (mid-term), and operational (short-term) planning have been confounded with the actual *strategic thinking* competency. However, in practice responsibility for strategic planning at

many Canadian federal government departments and agencies is held at the Director level, as Directors are responsible to develop business proposals and Cabinet Documents to seek approval and funding for multi-year, multi-million dollar programs and projects.

Recommendations to address *construct confusion*. Avoid confusing competence with competency. Each competency may typically be defined in terms of four or five demonstrably different behavioural indicators for each level using the anatomy of a competency profile depicted in Figure 2-8.

5.5.2 Implications for Academic Ethics Curricula

Academic sources tend to focus on knowledge areas rather than skills, abilities, and traits. In addition to 15 Tier-1 and Tier-2 knowledge-based competencies, this study identified 28 Tier-1 and Tier-2 skill, ability, or trait-based competencies that academic programs could consider addressing in training content targeted towards future BE practitioners to make issues more germane while addressing an identified gap introduced in Table 2-1. Moreover, a number of potentially over-emphasized competencies were identified that academic programs could leverage to ensure an appropriate balance of training content.

5.5.3 Other Implications for Practice

The study results, along with the benchmark profiles (e.g., ERC 2007; EPAC 2001; Ezekiel 2006) and other works may serve to inform future certification initiatives as a step towards gaining greater acceptance as a profession given the breadth and depth of roles and responsibilities within the purview of business ethics, integrity, and compliance practitioners. This view is also shared by leading non-profit ethics and compliance organizations. For instance, according to the ERC (2007, p. 29):

> *Proponents argue that certification has become associated with being a member of a profession, and, in the interest of advancing ethics and compliance to that end, credentialing courses and even specific certification tests should be offered.*

5.6 Limitations

Some of the strengths of this research include adapting, within a business ethics context, the use of similar approaches and methods to identify and compare important competencies between academics and practitioners in other disciplines such as Information Technology (IT), nursing, and management or leadership. Yet despite these strengths, a few limitations emerged during the progress of the research discussed next.

Subject Matter Experts (SMEs). First, the difficulty in locating compliance, integrity, or ethics academics and practitioners for the survey was a limitation. A number of open sources and publicly available lists were leveraged to compile a table of SMEs described in Chapter 3. In addition, given the time line over which the study was undertaken, a large proportion of the information previously obtained to compile the list of SMEs was out-dated. For example, the Canadian federal government published on the Internet four lists of ethics-related Senior Officials for the Canadian Public Service. A snapshot was taken in April 2010 and another refresh was conducted two years later in April 2012. Of the original list, four percent remained valid, eleven percent required an update (e.g., changed organizations), and eighty-five percent were new to the role. This highlights an alarmingly high turnover rate in these senior level ranks. Fortunately, this limitation was overcome through the assistance of two professional ethics organizations (EPAC and SBE) that were kind enough to allow their members to be polled for the survey. Additionally, several e-mail reminders were sent to the lists developed by the researcher that resulted in 102 valid survey responses for Phase II.

Emphasis on Canadian context. Despite a literature review, document analysis, and survey that covered international sources and respondents, the predominance was on Canadian respondents (55 percent), with a sizeable proportion attributable to the Canadian government (35 percent). Nevertheless, US respondents accounted for one third (33 percent) of the overall respondents with the remaining being from Australia, the UK, Switzerland, Italy, Germany, France, the Netherlands, Taiwan, and the United Arab Emirates (UAE) which may provide some generalizability beyond a purely Canadian context.

Cognitive biases of survey respondents. This study is limited by the degree of response to the survey and the 'degree to which respondents answer questions candidly' (Cole 2003, p. 20). Because this research broaches the topic of ethics, certain respondents may choose to respond (consciously or subconsciously) in terms of what they perceive to be *socially desirable*, though the anonymous nature of the survey should have discouraged such behaviour. Moreover, lacking situational context, respondents' answers on *perceived* importance may have been subject to other cognitive biases. The literature review of Chapter 2 suggests that a mix of competencies is applied in any given situation and different situations call for different competencies or emphasis on individual KSAOs (Hollenbeck et al. 2006). A *recency cognitive bias* (Locklear 2011) is another bias that may have influenced survey respondents. That is, the tendency to weigh recent situations more than earlier situations. Respondents may have recently dealt with specific KSAOs to address recent

issues, and these being "fresh" in their minds, may score higher in importance relative to other potentially equally important KSAOs perhaps leveraged several months earlier. The findings are restricted to what BE academics and practitioners *perceive* as being important KSAOs to BE practitioners, in the absence of a specific context and scenario being provided.

Relative importance of competencies. The final open-ended survey question allowed respondents to comment on the overall survey. The single-most consistent comment received demonstrated the relativity of *important* competencies. Answers along the lines of "it depends on the situation", the "industry", or the "specifics of the individual's job" were received by a handful of respondents. However, without providing an overly granular or restrictive scenario to allow for greater generalizability, it is deemed that these comments are valid and apply to any competency model or profile for any organizational role and are therefore an inherent limitation in most if not all competency-based models reflected in the need to tailor a portion of the model to account for context. Alternative wording to "tighten" the context was deemed inappropriate and too limiting in terms of research findings and contribution to the business ethics body of knowledge. Simply, one cannot account for all the possible variables and permutations in a competency model so a generalist approach, tailorable to a specific context is likely the most pragmatic. In fact, this approach is consistent with the Risk Management parent theory discussed in Chapter 2. For example, when safeguarding an IT system, baseline controls embodied in policies and instruments (analogous to the *BE Practitioner's competency model* developed in this study) are applied and tailored to a specific context based on the results of risk exploration and risk assessment. Therefore, a decision was made to include a comprehensive analysis of risk management in the dissertation as this was of particular interest in industry, but it is acknowledged that a less comprehensive discussion could have been an option.

Future researchers may want to provide a specific scenario or a more restrictive definition of an "industry practitioner". A number of purposefully chosen delimitations are feasible, some of which are reflected in **Table 5-3**, however these would also limit generalizability of results.

Table 5-3: Partial list of delimitations to provide more specificity but also less generalizable results

№	Delimitation	Description Respondent must…	Example	Excludes
1	Hierarchical level	Be an executive	Respondent's title is either Director, Executive Director, Director General (DG), Assistant Deputy	Lower level management (e.g., Managers and supervisors) and

№	Delimitation	Description Respondent must…	Example	Excludes
			Minister (ADM) or Vice President (VP)	employees
2	Geographic location	Work in Canada	Any Canadian organization within Canada within the National Capital Region (NCR)	All other countries and Canadian subsidiaries in foreign countries and regional offices within Canada
3	Sector	Work in the federal public/civil service	Any of over a hundred public sector organizations	Private and Non-Profit sectors and other levels of government
4	Industry	Work in the healthcare industry	Health Canada, Canadian Institutes of Health Research, Public Health Agency of Canada	All other industries such as law enforcement, national defence, etc.
5	Organizational size	Work in a large organization	Limited organizations with 5,000 or employees – e.g., Health Canada	Small and Medium-Sized (SME) organizations
6	Role	Be in an ethics position	Respondent's job title must include either "ethics", "values", or "integrity"	Any compliance-based roles
7	Responsibilities	Be directly responsible for at least three of six ethics-related roles	Respondent's must perform at least three of the following six roles on a regular basis (e.g. weekly)	People narrowly focused on a few responsibilities (e.g., trainers);
8	Regime	Work in a principles-based ethics program	Any organization that has an ethics program with a principles-based regime	Ethics programs with a compliance or rules-based regime
9	Maturity	Work in an established ethics program	Organizations that have a mature or robust ethics program as judged by an acceptable authority	Nascent programs or under-resourced programs

(Source: Developed for this study)

Finally, delimitations in **Table 5-3** may also serve in the context of the next section on future applied research. In brief, while a number of limitations are acknowledged, it is believed that they do not adversely affect the data collected and analysed in any material fashion nor do they detract from the significance of the findings. They are mostly presented here to aid in future research.

5.7   Recommendations for Future Research

Despite the effort spent on this exploratory study, only the surface has been scratched in terms of research into BE competencies and institutionalized BE training program content. The foundation laid within this study can be built upon by future research in a number of different areas described next. Moreover, each of these areas can be expanded upon and tailored to cater to a specific *management level*, *organizational size*, *industry*, *sector*, *region*, or *country*, for instance. Further, different permutations of these various dimensions can be studied simultaneously. For example, Thompson, Stuart and Lindsay (1997) considered traditional frameworks on management competencies that were junior to middle manager-centric, focused on large organizations, and US-centric to develop a framework of competences of top team members, applicable to small to medium-sized enterprises (SMEs) in Northern Ireland.

Finally, a number of other opportunities for further research are feasible by selectively lifting delimitations. For instance, the primary focus of this study was on the BE competencies of ethics practitioners within the Canadian PS in Phase I, although this scope was expanded for

the survey in Phase II. Future research could also consider other levels of government such as provincial, territorial, or municipal. Further, additional academic texts could be considered for the document analysis to ensure a more balanced sample compared to the job advertisements and other practitioner documents analysed. In addition, non-English speaking respondents could be surveyed and non-English text analysed as well to uncover cultural or other relationships and influences. More pointed recommendations are provided next.

5.7.1 Focus on training approach

As originally depicted in Figure 2-5, future research could attend to the delivery methods or approach for the training content based on identified KSOAs. This could include facets of method and form (the how), frequency and duration (the when), and logistics (the where). For example, this could lead to a study of opportunities within or beyond organisational boundaries on how to instil identified KSAOs, as originally depicted in Figure 2-13 as both professional learning, training, and development or academic learning, training, and development through courses, on-the-job opportunities, and so forth.

Yet another dimension reflected in Figure 2-5 involves students and teachers (the who) and facets such as instructional factors (e.g., background) or student factors (e.g., age, motivations, or personal learning styles) that could lead future research to focus on either an academic or practitioner audience. For example, future research could focus on further delimiting the number of identified KSAOs in the competency model to those most appropriate in an academic context for business school students who may not require the full range of competencies. Similarly, future research could focus on further delimiting the number of identified KSAOs in the competency model to those most appropriate for certification by ethics societies or associations. Finally, recommendations in this section come from an independent external examiner.

5.7.2 Focus on ineffective behaviours

Much focus has been placed on core desirable competencies, including this study, however as suggested ineffective behaviours may be at least as important depending on the purpose of the competency model, yet little research and pragmatic material is available. The PSC (1997, p. 10) suggests: 'It may therefore be more useful to consider screening out on the basis of negative characteristics as opposed to screening in on the basis of positive characteristics'. Again, borrowing from Risk Management (RM) theory, this approach is consistent with the

security screening process to receive a government security clearance. This indeed would be an interesting topic for future research, and ineffective behaviours could be included in conjunction with effective behaviours.

5.7.3 Added specificity in line or staff functions

Future research may choose to drill-down into a specific *line function* (e.g., Production and Operations Management (POM) or marketing and sales), or *staff function* (e.g., HR, Finance, Procurement, or Information Technology). While conducting the literature review, dozens of specific business ethics issues (*knowledge*) were identified for several functional areas. Moreover, as the nature of staff functions is advisory, people in these areas tend to assume different roles and have different responsibilities such as investigating, researching, and advising line managers that require different *skills*, *abilities*, or *traits* than people in line functions.

Added specificity of knowledge. As an example of added specificity of knowledge for a staff function, *HRM business ethics issues* could be expanded and become the focus of future studies to determine which *HRM BE issues* in particular are most important, again in terms of a specific organization, industry, sector, or region. Examples of more granular issues could include *hiring procedures*, *promotional procedures*, *employee dismissal*, *worker safety*, *harassment* (e.g., verbal, sexual, etc.), *alienation* (Collins 1989), *compensation* (e.g., excessive management compensation), *constructive dismissal*, and so forth.

Added specificity of skills, abilities, or traits. Similarly, someone in a staff function may require significantly different skills, abilities or traits to investigate alleged wrongdoing, perform environmental scanning to identify and research emergent ethical issues, or advise executives. In contrast, someone in a line function may be called upon to exercise more judgement and practice risk-informed decision-making more frequently based on the advice and guidance of staff functions. For example, *judgment and decision-making skills* may be more crucial to line functions and require specifically defined behavioural indicators (BIs) as a forth tier to the competency model. Examples of these BIs may include *considering the impacts of decisions on people* and *obtaining all relevant facts before making decisions* as reflected in **Table 5-4**.

Table 5-4: Four-tiered BEBOK model of categories, sub-categories, themes, and issues/BIs

Category (Tier 1)	Sub-Category (Tier 2)	Theme (Tier 3)	Issue/Behavioural Indicator (BI) (Tier 4)
1. Knowledge	1.1 Functional Issues	1.1.1 HRM Issues	1.1.1.1 Virtual Absenteeism

Category (Tier 1)	Sub-Category (Tier 2)	Theme (Tier 3)	Issue/Behavioural Indicator (BI) (Tier 4)
			1.1.1.2 Discrimination (reverse, systemic)
2. Skills, Abilities	2.1 Thinking Skills	2.1.1 Judgement & Decision-Making	2.1.1.1 Considers the people component of decisions
			2.1.1.2 Obtains all relevant facts before making decisions

 (*Source*: Developed for this research; extended from Tables 2-5 & 2-6)

In brief, a potential implication for future research may be to customize the institutionalized business ethics training program content in terms of knowledge, skills, abilities, or traits towards the target audience based on *line* or *staff* functions and roles.

5.7.4 Added specificity for different hierarchical, management or proficiency levels

The proposed *BE Practitioner's competency model* adopted a nondescript organizational level as opposed to specific management or proficiency levels. However, according to the PSC (1997, p. 2), 'there are hierarchical differences' as 'hierarchical levels reflect changes in responsibility, authority, and accountability.' For example, the Phase I document analysis considered working level, supervisor, manager, and director-level job advertisements. Moreover, the Phase II survey did not omit potential respondents based on their hierarchical level. Many of the models examined in the extant literature tend to focus on leadership levels versus more junior job positions. This perspective is also congruent with findings from Schippmann et al. (2000). Future research could *delve into* a specific hierarchical level or proficiency level for the various competencies. For example, some competencies may be different (present or absent) depending on the hierarchical level and the expected level of proficiency may be different as well (less or more proficiency required). Also, future research could *detail* the various BIs for each of the competencies identified in this study.

5.7.5 Issue maturity/life cycle

Ethical issues change over time suggesting a construct of *issue maturity* or *issue life cycle*. In particular, knowledge-based topics and issues emerge, become mainstream, then eventually become mature and decline in importance or coverage over time through *issue fatigue* or for other reasons (e.g., *issue obsolescence*). Future research may want to delve into the relationship of issue importance and *issue maturity* level to help predict or forecast issues that may become irrelevant or more prominent over time.

5.7.6 Clustering of knowledge, skills, abilities, and traits

Part of the debate within the extant competency-based management (CBM) literature of Chapter 2 revolves around the treatment of terminology for competency-related terms. A number of definitions were provided but many terms are still used interchangeably or inconsistently (Gallivan, Truex & Kvasny 2004). For this study, categories were adapted from a number of authoritative sources that included primarily the categories from the PSC (1997) *Wholistic Competency Profile*. Some IT, leadership (cf. DLI 2007), and other discipline (cf. Davis et al. 2005) competency-based studies have focused on performing factor, cluster or other analyses to validate the various competencies found within the different categories to ensure that items in a category are measuring the same underlying attribute. The same method is applicable to testing several different behavioural indicators (BIs) for any given competency. Although not the focus of this study, cluster or other analysis could be used in future research to verify the structure of the categories or clusters of competencies identified.

5.7.7 Related disciplines of compliance, integrity, and ethics

The proposed *BE Practitioner's competency model* adopted a nondescript practitioner title – e.g., Compliance Officers, Ethics Officials, Ombudsman, and so forth to be more inclusive rather than overly restrictive for the survey. However the literature in Chapter 2 suggests that the nature of these various disciplines or professions can entail differences depending on a number of factors, none the least being an organization's regime (see Figure 2-4), whether rules-based (i.e., compliance regimes) or values or principles-based (i.e., ethics-based regimes). Future research may pit compliance-based regimes against values and ethics-based regimes to compare and contrast important competencies perceived by these two practitioner groups in a similar fashion to this study's comparison of academics and industry practitioners. The Chapter 2 literature review already suggests that compliance-based regimes may place more emphasis or importance on *legislation*, *organizational policies and instruments* (e.g., codes of conduct), and other KSOAs than a values-based regime which may place more importance on *principles*, *values*, and so forth. Focus on this particular dimension may yield valuable insight in support of a convergence of both compliance and ethics-based regimes to form what some have coined an integrity function (Ezekiel 2006).

5.7.8 Relationship of competencies to roles

Another area of potential future research involves identifying the relationships of various competencies to BE roles. These relationships may be one-to-one in nature such that an

investigative role will require *knowledge of investigative techniques, methods, and best practices* and *investigative skills*. Still, other competencies may be agnostic to a specific role leading to many-to-one relationships. For example, *oral and written communication skills*, *integrity*, being *self-driven*, and so forth are less role-specific and could be considered core competencies, applicable across roles as tentatively proposed in **Figure 5-1**.

Although business ethics roles were identified to help identify potential competencies, the focus of this study was not to assign competencies to specific roles. Having a better understanding or appreciation of which competencies are most important to specific roles however could yield important findings for future research. This is consistent with general comments received by a handful of survey respondents who suggested that the relative importance of the various competencies depended on the specific functions or roles performed as a BE practitioner. This study adopted a more generalist approach, assuming that an Ethics Official would likely be expected to perform many or most of the six roles identified in Figure 2-13. However, in larger organizations with many ethics program employees, staff may be dedicated to specific roles and may not have this generalist perspective in practice. Therefore, to better tailor institutionalized business ethics training programs, future research into which competencies relate most appropriately or strongly to which BE roles may be warranted.

In brief, a sampling of proposed topics for future research have been described based on the foundation laid by this exploratory and descriptive research into a most fascinating topic of business ethics competencies.

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