Leading
in Practice

A review by the Committee on Standards in Public Life

The Committee
on Standards
in Public Life

January 2023

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Chair, Lord Evans of Weardale

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Chair's foreword

The Seven Principles of Public Life (the Principles) apply to all public office-holders and those delivering public services. They are the bedrock that underpins and gives meaning to the rules that govern public office, and they represent a common understanding of public service. However, the ethical values reflected in the Principles will not become the cultural norm within an organisation without active attention.

Building organisations where employees understand how the Principles translate into actions and behaviours and where they are supported to take a values-led approach to their work requires leadership.

Senior leaders must ensure that values are understood and embedded into all aspects of how their organisations operate – from the way leaders communicate with employees, to the priority given to developing good decision-making, to the approach taken to recruitment and performance management. While the tone from the top is critical, leadership matters throughout an organisation. Leaders at all levels have a fundamental role in exemplifying and helping their teams live up to the Principles in their day-to-day behaviours.

From the evidence we have heard, it is clear that there is no single right way to embed an ethical culture in organisations, but a range of possible approaches and measures. Our report features examples of how organisations from across the public, private and charitable sectors seek to integrate ethical values into their policies, practices and ways of working.

Our intention is that this report will stimulate discussion. We certainly do not have all the answers but we are clear that building an ethical culture does not happen by accident. We want to challenge leaders in the public sector to reflect on their own leadership and consider whether there is more they can do to support the ethical buoyancy of their organisations. With that in mind, we have formulated a series of questions for leaders to ask themselves. These are derived from examples of the challenges and successes in embedding ethical values that we came across in our evidence sessions. We hope that leaders will find the questions helpful.

Lord Evans of Weardale
Chair, Committee on Standards in Public Life

Contents

Executive summary

Organisations can facilitate or hinder ethical behaviour by employees. There have been a number of high-profile cases in recent years where failure to pay attention to the ethical health of organisational cultures has led to crises.

We wanted to take a constructive approach to this issue and look at how a range of organisations have approached the challenge of embedding ethical values in their culture and in the services they deliver. This report gathers insights from leaders in the public, private and charitable sectors and shares real-life case studies.

The Seven Principles of Public Life (the Principles) are the principles of conduct that apply to all public office-holders and those delivering public services. The report sets out a series of questions to help public sector leaders reflect on their own leadership and to consider whether there is more they can do to embed the Principles into their organisation's policies, practices and ways of working.

Chapter 1: Values and the public sector

Public office-holders are often required to exhibit a range of values, relevant to the part of the public sector they work in, their organisation and profession. It is common for organisations to co-create values with their employees, and we heard that the discussion generated by this process can be hugely beneficial in and of itself.

These values need to be informed by an understanding of the organisation's wider responsibilities to the public, as encapsulated by the Principles of Public Life. The Principles apply to all public office-holders, they have stood the test of time and they have permeated public consciousness.

We would encourage organisations regularly to create opportunities to help their employees understand the relationship between the different values that they are expected to demonstrate, and how they apply to the reality of their working environments.

The Committee on Standards in Public Life (CSPL) considered two particular areas of challenge for ethical leadership in the public sector: the leadership model in central government and the response to operational demands and crisis management.

The nature of leadership in government departments, with elected ministers and the Civil Service, can create a complex dynamic. It is crucial to the successful running of government that each performs their constitutional role. This means that civil servants must be supported by their leaders to provide objective and impartial advice that reflects ethical considerations, but once ministers have reached a decision, it is the responsibility of civil servants to implement it, providing the decision is lawful.

Fast-paced operational environments with limited resources, such as policing and healthcare, can be particularly challenging for maintaining high ethical standards. In times of crisis, it is crucial that the underpinning principle to act always in the public interest is maintained, and any decisions to shortcut normal processes are clearly explained and open to scrutiny.

Chapter 2: Communicating expected behaviours and leading by example

Senior leaders set the tone for their organisation and have a responsibility to communicate how they expect their workforce to behave. The insight and examples we heard from leaders can be summarised under three headings.

- **Clarity:** Leaders must be clear about the importance they attach to the values of their organisation. They must invest in explaining what the values mean in practice and look for opportunities to bring the values to life.

- **Consistency:** Leaders must exhibit their organisation's values regardless of the context and the pressure they may be under. This means role-modelling the behaviour they want to see in their own staff and making decisions that are aligned to the organisation's values.

- **Consequences:** Leaders must be willing to address behaviour that is not consistent with the values of the organisation. It is particularly important that there is zero tolerance of poor behaviour exhibited by other leaders.

Leadership matters at all levels. The regular interactions that people have with their immediate and middle managers is critical to shaping organisational culture. Managers need to be supported and empowered by their own managers, and they need to understand the leadership responsibility they have.

Chapter 3: Encouraging a 'speak up' culture

We heard that futility and fear can be barriers to speaking up. People doubt that action will be taken if they raise a concern and fear that if they do, it will impact negatively on their career.

We share examples of the policies and schemes that organisations have put in place to create routes for people to speak up and safeguards for those who choose to raise concerns. However, policies and schemes alone are not enough. Creating a 'speak up' culture requires leaders to listen with curiosity and appreciation, to take action where appropriate, and to provide feedback on the outcome.

Leadership in this area requires a proactive approach, creating a range of informal and formal opportunities to listen to employees, and an ongoing commitment to building a culture where people are encouraged to speak up and are comfortable doing so.

Chapter 4: Training, discussion and decision-making

Regular training is integral to embedding high standards. We heard that scenario-based training is particularly valuable in helping people to understand what is expected of them. As well as formal training courses, we believe managers should be mindful of their responsibility to discuss the Principles of Public Life and what these mean for their team in the specific context of their roles and organisations.

Discussing ethical dilemmas increases ethical sensitivity and enhances decision-making skills. We heard how organisations have created specific safe spaces to discuss ethical issues, including ethics committees, staff forums and counsellors.

Some organisations encourage the use of decision-making frameworks to support fair, just and transparent decisions. These provide prompts to guide employees when considering complex decisions.

Chapter 5: Governance

Boards have a crucial role in promoting ethical conduct and ensuring that an organisation is living up to its values.

While departmental boards do not have the same functions as corporate boards, they have an important role in exerting influence over how departments are run. We would like to see stronger guidance developed on the focus that departmental boards should give to ethical issues. Boards should be concerned with how departments ensure that the Principles of Public Life and the Civil Service Code are understood, internalised and translated into behaviours and decisions.

We heard how identifying and bringing together data into a single report can be instructive for assessing the culture of an organisation. It can join the dots for a range of indicators, such as 'speak up' reports, high turnover of staff, high levels of sickness, unusual patterns of staff survey scores, and customer complaints numbers, allowing a board to identify where action is required.

Chapter 6: Recruitment and performance management

Many of the leaders we spoke to, in a range of organisations, were clear that assessing the values of a candidate was an important aspect of the recruitment process, and shared their approach with us.

We would encourage public sector organisations to consider incorporating an assessment of how candidates' personal values align with the Principles of Public Life within their recruitment and selection processes, particularly for senior leadership positions.

Ensuring that the values are assessed as part of the performance management process both incentivises behaviour that is aligned with the Principles and ensures that the commitment of leaders to high standards is reflected through into the decisions they make about the people they manage.

Questions for leaders

Communicating values and leading by example

1. How do the people in your organisation know that you care about the Principles of Public Life?

2. What do you do to help people understand how the Principles of Public Life translate to the standards of behaviour expected in their day-to-day work?

3. How do you address behaviour that is not consistent with the Principles of Public Life?

4. How do you know that people across your organisation are hearing a consistent tone from their managers in relation to the standards of behaviour expected of them?

Encouraging a 'speak up' culture

5. Are there clear and well-understood ways that people across your organisation can raise their concerns when things 'just don't feel right'? How do you know these routes are trusted?

6. What do you do to ensure that retaliation is not tolerated in your organisation?

7. How do you ensure you are listening to the concerns and suggestions of people in your organisation? Are you being open and transparent in communicating the outcome to people in your organisation, while respecting confidentiality?

8. How do you know the managers in your organisation are listening and responding well to concerns that are raised directly with them?

Training, discussion and decision-making

9. Is your staff training specific to the ethical risks and challenges faced by your organisation?

10. How do you encourage leaders at all levels to discuss the practical application of the Principles of Public Life in their teams?

11. Have you considered whether the people in your organisation might benefit from dedicated support for considering ethical issues, such as ethics committees or counsellors?

12. How do you know that people in your organisation are making consistently good decisions that take into account the Principles of Public Life?

Governance

13. Is your board clear on their role in relation to the ethical culture of the organisation?

14. Does your risk assessment process identify and monitor the key ethical risks for your organisation?

15. Does your board have access to the range of data needed to assess and monitor the ethical health of your organisation and to identify potential areas of concern?

16. How do you ensure that your organisation takes necessary action where the data suggests that changes are needed?

17. When things have gone wrong in your organisation, could the signs have been spotted and addressed earlier?

Recruitment and performance management

18. Does your recruitment and selection process place sufficient weight on the extent to which candidates' personal values align with the Principles of Public Life?

19. How does your organisation's selection process test the ability of candidates to exercise sound judgement when faced with ethical dilemmas?

20. Do the performance management processes of your organisation give sufficient weight to how individuals deliver on their objectives, as well as the outcomes that are achieved?

Introduction

The best leaders inspire and empower the people working in their organisations to make the right decisions, supported by core ethical values. Our 2021 report, 'Upholding Standards in Public Life', addressed the need for stronger rules and more independent regulation.[1] In this report, we explore the practical steps leaders can take to ensure that such rules are underpinned by a shared understanding of ethical values.

An approach to high standards based wholly on compliance is a missed opportunity. It can have a deadening effect by encouraging a tick-box mentality, and it is both impractical and undesirable to codify every aspect of the workplace. Giving prominence to ethical values fosters constructive debate and challenge, which helps employees make better decisions when faced with difficult choices.

The Seven Principles of Public Life, first set out by CSPL in 1995 under the chairmanship of Lord Nolan, articulate the ethical requirements that underpin and justify public confidence in public office-holders and all those responsible for delivering public services. The Principles are part of the basic contract that the government has with its citizens and are essential to the public's understanding of how institutions should operate. They are a commitment for every holder of public office that must be brought to life and embedded in the practices of the institution and the conduct of its members.

The public sector is not alone in paying attention to ethical principles. Many companies and charities have developed their own statements of fundamental values. While the values that they have adopted may differ – reflecting differences in the institution's purpose and relationship with its stakeholders – learning can be shared on the practical measures leaders can take to build organisations with a strong values ethos.

The purpose of this report is to encourage leaders in the public sector to reflect on their own ethical leadership and consider whether they can do more to ensure that the Principles of Public Life are understood and embedded into all aspects of how their organisations operate. To help with this process, we have included a set of questions for leaders to reflect on. We have also included examples of how different organisations have sought to build ethical values into their policies, practices and ways of working. In some cases, the good practice emerged from a deeper focus on standards following a crisis and in others, a realisation within the organisation that new systems and processes were needed to support their employees. We share them here, not as a 'gold standard' to reach but as a source of ideas and inspiration.

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1 Committee on Standards in Public Life, Upholding Standards in Public Life (2021). Available at:
   www.gov.uk/government/publications/upholding-standards-in-public-life-published-report

Some may suggest that dedicating time and energy to focus on values is an unnecessary burden and unrealistic given the pressures on the public sector. However, we are clear that nurturing high ethical standards delivers a return on the investment. A values-driven culture aids risk management, attracts the highest calibre workers and supports the delivery of public services. Moreover, good practice can be implemented without a large budget.

There is a wealth of literature available on ethical leadership, spanning behavioural psychology, philosophy and management theory. Our report does not seek to cover this ground but instead gives space to the practical suggestions shared by contributors to our review, while highlighting the barriers and impediments to success. We focus on good practice, but we also comment on the problems and gaps that were brought to our attention in our evidence gathering.

To identify examples of good practice we spoke to senior leaders in different parts of the public and private sectors, including unions, trade bodies and leaders in the charity sector. In the public sector, we spoke to the police, NHS, Civil Service and a range of other public bodies. We also wanted to hear the perspective of those below senior leadership level. We therefore held sessions with groups of workers whose roles give them particular insight into the importance of high standards of conduct: Nominated Officers within the Civil Service, the Cabinet Office Staff Board, police officers and police staff, and NHS Freedom to Speak Up Guardians. A list of all stakeholders who gave evidence is at Appendix 3.

CSPL is grateful to all those who gave evidence to our review and to those who shared their case studies with us, demonstrating how they are seeking to integrate ethical values into their organisations. In particular we would like to thank Mark Chambers, then Associate Director (Governance) at the Institute of Business Ethics, for his expert advice and for facilitating introductions to leaders of businesses who shared their examples of good practice.

As every organisation is different, there is no single right way to embed an ethical culture. Requirements will depend on many factors, including the size and nature of the organisation and the maturity of its ethics programme. It was also apparent from the evidence we heard that sustaining the ethical health of an organisation is an ongoing commitment, and the response of each organisation must evolve over time as new risks emerge and understanding of good practice develops. The clear message running through the evidence is that building an ethical culture does not happen by accident. It requires constant attention and must be embedded into all aspects of how an organisation operates.

Chapter 1: Values and the public sector

Section 1: The importance of a values-based approach for high standards

Developing a strong ethical culture is an essential part of any attempt to promote high standards in the conduct of employees and in their organisation's relationships with the public.

An ethical culture embeds the commitments of the organisation to the public and to its stakeholders. The culture reflects the shared understanding of why and how the rules and regulations operate. Otherwise, they will have little meaning for those who are bound by them and will be difficult to interpret and implement correctly. There is also a risk that rules on their own may be perceived as something to be navigated, which can diminish responsibility for exercising personal judgement.

Developing an ethical culture has wider benefits. Rules will only take an organisation so far – focusing on values can guide people to make the right decisions when circumstances change and the unforeseen happens.

A robust ethical culture not only has intrinsic value but is also likely to generate important benefits for the organisation as a whole. As described in more detail below, contributors emphasised that the potential benefits included a more effective regime of risk management, greater success at recruiting and retaining personnel, and an overall improvement in policy and service delivery.

"If we focus on conformity, compliance or adherence, that feels like we're trying to do it in order to avoid getting into trouble rather than to do things in an appropriate and correct manner… Behaviour change is brought about because it makes sense and because it is easier to do the right thing than the wrong thing."

Colin Mellors, Chair, Local Boundary Commission for England, Joint Association of Chief Executives and Public Chairs' Forum event, 15 June 2022

A culture where people see thinking about the ethical implications of a proposed action as part of their job and feel safe to speak up if something does not feel right can act as an early warning system. Scandals in public life damage public trust and without trust, the public may become less inclined to do the difficult things that governments sometimes ask of them. Trust can be easily lost and it is a long, slow process to rebuild it.

In recent years we have seen cases in public life where failure to recognise the ethical implications of measures or to speak up about failings have had devastating consequences. One example is the Windrush scandal. The reasons for what happened are complex but a significant factor was a failure of the Home Office to monitor the impact of its 'compliant environment' policy on the Windrush generation. As a result, a cohort of British people were caught up in a policy intended for immigration offenders.[2]

Ensuring that ethical values permeate the culture of public sector organisations can help to recruit and retain talent. Companies are increasingly focused on ethical values, driven by environmental, social and governance commitments, and research suggests that young people want to work for organisations with values that align to their personal beliefs.[3]

Focusing on ethical values can also have a positive impact on morale. Martin Jones, Chief Executive of the Parole Board for England and Wales, told us how articulation of the organisation's values helped his workforce to see beyond the part of the process they were working on to understand how their role fitted into the wider purpose of the organisation.

This helped with morale as consistent values and good leadership allowed them to make a realistic assessment of media criticism and focus on what they were trying to achieve together.

We heard evidence from some senior leaders that focusing on the right behaviours can lead to strong performance and a culture of excellence. This relationship between behaviour and outcome presents an opportunity for the delivery of public services. The Declaration on Government Reform notes the importance of high standards for conduct in public life, but falls short of recognising the centrality of ethical values to successfully delivering the programme.[4] CSPL believes that focusing on how civil servants go about their work, supported and guided by the Seven Principles of Public Life, should be at the core of delivering 'A Modern Civil Service'.[5]

Ethical values that are clearly understood by staff, modelled by the senior leadership team and all other leaders, and form part of a culture where staff feel safe to speak up when they think something is wrong, are fundamental to a successful organisation.

2   Windrush Lessons Learned Review: Independent review by Wendy Williams (2020). Available at: **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876336/6.5577_HO_Windrush_Lessons_Learned_Review_LoResFinal.pdf**

3   Bupa, Gen Z seek ethical workplaces as environmental health burden bites (13 January 2022). Accessed online August 2022: **www.bupa.com/news/press-releases/2022/gen-z-seek-ethical-workplaces-as-environ-mental-health-burden-bites**

4   Declaration on Government Reform (2021). Available at: **www.gov.uk/government/publications/declaration-on-government-reform**

5   A Modern Civil Service (2021). Accessed online August 2022: **www.gov.uk/government/publications/a-modern-civil-service**

Section 2: Values in public life

The Seven Principles of Public Life, set out by Lord Nolan in 1995, are a shared understanding of the expectations of public service and apply to everyone who works as a public office-holder. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Our 2021 report, 'Upholding Standards in Public Life', found the Principles have stood the test of time and have been adopted widely across public life in the UK.[6]

The Principles are not the only values that public office-holders are required to follow. In the Civil Service, the values of integrity, honesty, objectivity and impartiality are enshrined in legislation and the standards of behaviour expected of civil servants based on these core values are described in the Civil Service Code. But the ethical framework for public office also includes financial probity: the appropriate and efficient spending of taxpayers' money. The public, and Parliament acting on the public's behalf, have a right to expect that funds raised using powers agreed by Parliament will be used for the purposes intended. Public servants have a duty to use public money responsibly and in a way that secures value for money. Meeting high standards of public conduct, including robust governance and the relevant parliamentary expectations, especially of transparency, is fundamental to the proper use of public funds.[7] In addition, public office-holders who are part of a profession, such as lawyers and accountants, are required to demonstrate the values expected by their professional bodies.

Over time, other complementary values have gained attention. Specifically, the need for greater diversity and inclusion has become an increasingly important feature of government thinking, as set out in the Civil Service Diversity and Inclusion Strategy.[8]

In addition, many public sector organisations and government departments have outlined their own organisational values. Several contributors to our review explained that defining values that link to the purpose and mission of their organisation gave the values resonance for staff and had a 'galvanising effect'. We were told that imposing values using a 'top-down' approach can be counterproductive and create resentment. Instead, we heard that including the workforce in the process of developing values was crucial to people buying into those values and feeling motivated to role model them.

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6   Committee on Standards in Public Life, Upholding Standards in Public Life (2021). Available at:
    www.gov.uk/government/publications/upholding-standards-in-public-life-published-report

7   The HM Treasury handbook, Managing Public Money, sets out the main principles for dealing with resources
    in UK public sector organisations and refers to the Principles of Public Life. Accessed online August 2022:
    www.gov.uk/government/publications/managing-public-money

8   Civil Service Diversity and Inclusion Strategy: 2022 to 2025. Available at:
    **www.gov.uk/government/publications/civil-service-diversity-and-inclusion-strategy-2022-
    to-2025/civil-service-diversity-and-inclusion-strategy-2022-to-2025-html**

"When I joined the organisation five or so years ago, there was an ethos that everyone understood but had forgotten the detail. There was a list of values from 2003 but they didn't feel recent. So we went through a consultation process, about what it was to be part of GCHQ, what was valued in the public service and, critically, to keep the country safe. So the four values came from the consultation. What did it feel like to be part of our organisation?"

Sir Jeremy Fleming, Director, GCHQ, 31 May 2022

"We did a lot of crowdsourcing with our staff to help frame our vision and values. Crucially, we did not simply tell staff what the vision and values were, but rather developed them with staff in a collaborative partnership. This worked really well in embedding them into our culture and bringing our vision and values to life."

Dr Gillian Fairfield, Chair, Disclosure and Barring Service Joint Association of Chief Executives and Public Chairs' Forum event, 15 June 2022

Some organisations and sectors have taken the Principles of Public Life as a starting point and then adapted the descriptors to suit their specific context. The Ethical Leadership Commission took this approach in designing the Framework for Ethical Leadership in Education **(see case study 1)**. This independent commission of nonpartisan experts was established to meet concerns about the absence of guiding principles for ethical leadership in education.[9]

Codes of conduct have an essential role in applying values to specific organisations. Codes are crucial for helping people to understand the behaviour that is expected of them (and what behaviour is unacceptable) in their organisation by translating high-level principles into practical guidance relevant to the specific circumstances of their roles. While important, "Codes should never, however, override principles. Behaviour can technically be within the rules set out in a code and yet still offend against underlying principles and values as judged by peers or the general public."[10]

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9   Navigating the Educational Moral Maze: The Final Report of the Ethical Leadership Commission (January 2019). Available at: **www.ascl.org.uk/ASCL/media/ASCL/Our%20view/Campaigns/Navigating-the-educational-moral-maze.pdf**

10   Committee on Standards in Public Life, Standards matter: A review of best practice in promoting good behaviour in public life (2013). Available at: **www.gov.uk/government/publications/standards-matter-a-review-of-best-practice-in-promoting-good-behavior-in-public-life**

We have discussed how public office-holders are required to navigate between different sets of values depending on the part of the public sector they work in, as well as their specific organisation and their profession. Often these values will overlap but will be framed in the language most relevant to the particular context. However, we also heard that multiple sets of values can be confusing for workers. One senior leader suggested people were tired of values statements and corporate frameworks in her organisation, and there was an appetite for focusing on timeless, meaningful values such as the Principles of Public Life.

We can see the utility of organisations developing their own values – both because it encourages people to take ownership of them and because the process itself encourages healthy discussion about how decisions are made and how people treat each other. Nevertheless, public sector institutions need to be sure that these values are embedded in and informed by an understanding of the wider responsibilities of the organisation to the public, as articulated in the Principles of Public Life.

While the Principles apply to everyone in public service, our conversations suggested a variation in the extent to which they are acknowledged and discussed in public sector organisations. For example, the Civil Service Code is more widely recognised as the immediate guide for ethical values in the Civil Service, even though the Principles of Public Life feature in induction training and of course are intended to be the background to Civil Service conduct.

Part of the value of the Principles is their universality and their longevity. They apply to all public office-holders, they have stood the test of time and they have permeated public consciousness. We can understand why organisations would also want to emphasise other values that are relevant to their organisation and use language that resonates with their employees. As we said in our 2013 report, 'Standards Matter', the value of the Seven Principles "lies not in their exact formulation but in the behaviour which they stimulate when – adapted or not – they become part of an organisation's culture".

We would encourage organisations regularly to create opportunities to help their employees understand the relationship between the different values that they are expected to demonstrate, and how they apply to the reality of their working environments. They need to use real-world examples of scenarios that are relevant to the organisation to bring this to life. This is necessary both to avoid confusion and to ensure that the range of ethical prescriptions does not lead to 'values fatigue' which might cause staff to side-line them as complications to their immediate priorities.

> **"**
> **We would encourage organisations regularly to create opportunities to help their employees understand the relationship between the different values that they are expected to demonstrate, and how they apply to the reality of their working environments.**

Section 3: Challenges for ethical leadership in the public sector

We took evidence for our review from a variety of parts of the public sector, including the police, NHS, Civil Service and a range of public bodies. Two particular areas of challenge for ethical leadership came through in the evidence we heard.

Parallel leadership in Whitehall departments

The leadership model in central government is more complex than in many other organisations. For civil servants working in government departments, leadership is provided by both their civil servant managers and by ministers. The Principles of Public Life apply to civil servants and ministers alike. But the multiple offices and accountabilities that exist in our system of government present a challenge for ethical leadership not shared by the chief executive of a company, who has the authority to shape the character and personality of their organisation.

There is an in-built democratic tension between the Civil Service and ministers that is integral to the operation of government. The role of the Civil Service is to support the government of the day in developing and implementing its policies, and in delivering public services. Civil servants must provide advice to ministers on the basis of the evidence, and accurately and objectively present the facts and options.

Ministers, who form a government with a democratic mandate from the public, decide on the policy, which civil servants are then responsible for implementing.

It is essential to the successful operation of government, and to mutual trust, that civil servants and ministers each perform their constitutional role appropriately. If a civil servant feels they are being required to act in a way which conflicts with the Civil Service Code, there is a process for raising concerns within their department or agency, with a route of appeal to the Civil Service Commission.[11]

It is important to distinguish ethical considerations that could be a breach of the Civil Service Code from a feeling of dislike or discomfort with policy choices. The Home Office Permanent Secretary, Matthew Rycroft, was clear in his evidence to the Home Affairs Select Committee in June 2022 about the separation of roles between ministers and civil servants:

"The role of civil servants is maximum challenge of a policy before Ministers decide it, in order to stress-test it and make sure it is very robust, and then maximum support and implementation for that policy after Ministers have decided it, provided it is legal.

Now, it is irrelevant what any civil servant thinks about a policy if the Government of the day have determined that policy, if they have the relevant approvals, for instance, from Parliament, as the Nationality and Borders Act has…

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11 The Civil Service Code. Accessed online August 2022:
www.gov.uk/government/publications/civil-service-code/the-civil-service-code

After Ministers have decided what the policy should be, provided it is legal, it is then the job of the civil servants to implement it. That goes to the heart of being a civil servant. If people are not comfortable with that, then obviously either they can move away from that bit of the Department into some other bit, they can move from one Department into another Department or, if they feel they must, they can leave the civil service. That is the deal that one does when one becomes a civil servant. One is here to serve the Government of the day that is duly elected."[12]

Dave Penman, General Secretary of the union, First Division Association, told us in June 2022 that while probably few civil servants will be in roles that require them to reconcile the implementation of government policy with their obligations under the Civil Service Code, for some civil servants working at the centre of government on policies that are pushing at the boundaries of legality, this presents more of a challenge than they have experienced under previous governments. In evidence to the Public Administration and Constitutional Affairs Committee in June 2022, the Cabinet Secretary Simon Case noted: "The Government of the day are not remotely afraid of controversial policies. They believe they have a mandate to test established boundaries. They take a robust view of the national interest and

of how the Government should protect and focus very much on accountability to people in Parliament, not on the unelected advisory structures."[13]

One former Permanent Secretary we spoke to described their approach to managing such ethical dilemmas. When ministers pushed at the boundaries of accepted practice they had to judge how far to go in seeking to dissuade them. These were by definition issues without a cut-and-dried answer. This required active working through and could be uncomfortable, as it often meant accepting an outcome which was not their preferred position. The test they applied was whether it sat acceptably with their conscience to defend that position to someone else as a logical and not unreasonable thing to do.

While decisions are the responsibility of ministers, it is the responsibility of civil servants to provide objective and impartial advice. The ethical implications of a potential decision should be reflected in the advice. We heard how the Home Office has developed policy tests in response to Windrush that include ethical considerations and the impact of proposed policies on different individuals, groups and organisations. This innovation builds on the Chilcot policy tests drawn from lessons of the 2016 Iraq Inquiry (Chilcot) Report.[14]

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12 Home Affairs Committee oral evidence: Work of the Home Office, Matthew Rycroft CBE, Permanent Secretary, Home Office (22 June 2022). Available at: **committees.parliament.uk/oralevidence/10463/pdf/**

13 Public Administration and Constitutional Affairs Committee oral evidence: Propriety of governance in light of Greensill (28 June 2022). Available at: **committees.parliament.uk/oralevidence/10485/pdf/**

14 The Ministry of Defence, The Good Operation: A handbook for those involved in operational policy and its implementation (2017). Available at: **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/674545/TheGoodOperation_WEB.PDF**

Senior civil servants must create an environment where their teams can develop policy robustly. If staff feel that they have executed their role in providing objective and impartial advice to the best of their ability, that can help them to reconcile their job with their personal ethics, even when working on the most challenging policy areas.

Michael Jary, Government Lead Non-Executive Director, shared with us his view that the Civil Service needs to be reinforced and supported in showing a greater degree of independence and resilience in building an ethical culture in government departments.

> "Despite all of the pressures around showing loyalty to ministers, nevertheless the Civil Service have to respect boundaries, and be capable of taking independent decisions about what falls outside that. That's not always happening. Responsibility lies partly with ministers, but the Civil Service has to be strong as does its leadership."
>
> **Michael Jary, Government Lead Non-Executive Director, 12 May 2022**

> **"**
> **Permanent Secretaries should show independence and resilience in building an ethical culture in their departments.**

Permanent Secretaries have a responsibility to lead their organisations well. Permanent Secretaries should show independence and resilience in building an ethical culture in their departments, speaking truth to power when necessary, and supporting middle managers and their teams to produce objective and impartial advice. Weaker leadership teams can fall into the trap of only giving ministers the advice they want to hear. This is not in line with the Principle of 'objectivity' in the Principles of Public Life and the Civil Service Code. The proper functioning of our government depends on ministers and civil servants each performing their role robustly and with mutual respect.

> **"**
> **The proper functioning of our government depends on ministers and civil servants each performing their role robustly and with mutual respect.**

Pressures, demands and crises

Operational environments can pose particular challenges for high ethical standards. We heard from a group of police officers and staff how the relentless nature of the demands placed on frontline officers can be a real barrier to an ethical environment. When officers are required to rush from one incident to the next, often dealing with life and death situations, there will be occasions when there is no time to do anything over the minimum required.

This pressure can have a psychological impact on people if they have to compromise their core values because of the unrealistic demands they have to deal with.

The same applies in health settings, if NHS staff feel that they are not able to do what is right for a patient because they have a waiting room full of people who need their attention. This can decrease morale and impact on patient care.

There is no easy resolution to these issues, but it is important to acknowledge that these pressures and demands exist and are part of the context in which the public sector operates. Values cannot make up for a lack of resources and poor systems but it is crucial that senior leaders are mindful of the challenges faced by public servants working in operational environments and remain alert to potential ethical hotspots. In such situations leaders must create opportunities to be visible, communicating the values that are central to public service and listening to concerns raised by their workforce.

> **"**
> **It is crucial that senior leaders are mindful of the challenges faced by public servants working in operational environments and remain alert to potential ethical hotspots.**

In government, the imperative to deliver for the public means there can be a temptation to shortcut normal processes in pursuit of 'getting things done.' It is important to recognise that if an objective is truly urgent and in the public interest, it might be necessary to abridge the regular processes that are in place, before reverting to normal practice once the crisis is over. However, this does not absolve individuals from their personal responsibilities to avoid conflicts of interest and act only in the public interest.

During the COVID-19 crisis, the government made decisions to procure personal protective equipment quickly and adopted a limited tendering process designed for use in emergencies. This may have been necessary in the circumstances. However, as we have previously argued: "Decisions which deviate from the rules, even in times of crisis, take an enormous risk in breaking faith with public trust and must, inevitably, be subject to greater retrospective scrutiny and accountability. The public may accept these difficult decisions if they are explained, but the case needs to be made. Decisions made under extreme conditions cannot claim immunity: those who make them must be open about the actions they have taken, and be accountable for them."[15]

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15 CSPL blog, Do exceptional times allow for exceptional measures? (7 August 2020). Available at:
    cspl.blog.gov.uk/2020/08/07/do-exceptional-times-allow-for-exceptional-measures/

Chapter 2: Communicating values and leading by example

Senior leaders have a critical role in setting the tone for their organisation. People watch their leaders closely and take their cues from them. There are a variety of ways in which leaders can communicate what is important to them: from the issues they take an interest in, to the way they think out loud, to the behaviours they fail to address. Poor behaviour at the top of an organisation can have a damaging effect as it sends the message that it will be tolerated and perhaps even rewarded. Conversely, strong ethical leadership can galvanise and inspire all those who work within an organisation.

In this chapter we discuss what we have learnt from contributors to our review about how senior leaders can best communicate expected behaviours to their workforce. We also consider the role of leaders at all levels in building and sustaining an ethical culture.

Section 1: Tone from the top

When we asked contributors to our review how the heads of organisations should best communicate how they expect their workforce to behave, the same points came up time and again.

- **Clarity:** Leaders must be clear about the importance they attach to the values of their organisation. This is not only about what they say, but about the actions they take and how they behave. Leaders must continually look for opportunities to bring the values of the organisation into their interactions with their workforce and check that the messages they are delivering have been understood.

- **Consistency:** Leaders must exhibit their organisation's values regardless of the context and the pressure they may be under. Policies must be aligned to the values of the organisation and appraisal and promotion decisions must take into account how staff have demonstrated these values.

- **Consequences:** Leaders must be willing to address behaviour that is not consistent with the values of the organisation. This is particularly important when poor behaviour is demonstrated by other leaders.

Clarity

Principles and values do not themselves tell people what to do. Leaders therefore have a responsibility to help people to understand what these commitments mean in practice by translating them into repeatable behaviours within the context of their organisation.

Leaders must be clear on the importance of doing things the right way. Resourcing challenges and pressures to deliver could lead people to cut corners and act in ways they would not normally, but emphasising the importance of how tasks are carried out, even in high-pressure situations, will send a clear message about expectations. Without actively communicating that how things are done matters as much as the outcome, people may make assumptions about what will be overlooked in the pursuit of the end goal.

"We have invested significantly in the cultural norms and expected conduct within the organisation. We don't describe it as ethics, but that's what it is – it's the cultural manifestation of what integrity looks like in practice… but I do think it is something that you have to nurture and it can be very easily lost if you don't. You can't be complacent about it."

Natalie Prosser, Chief Executive, Office for Environmental Protection Joint Association of Chief Executives and Public Chairs' Forum event, 15 June 2022

Some leaders attach a personal message to their organisation's Code of Conduct or Code of Ethics to make clear that they personally expect employees to live up to the values of their organisation.

We also heard how leaders look for opportunities to discuss in their regular communications the values their organisation holds important. Andrea Sutcliffe, Chief Executive and Registrar at the Nursing and Midwifery Council, told us how she sends a weekly Chief Executive message in which she reflects on the work of the Nursing and Midwifery Council and how this demonstrates the ways in which the organisation is living its values.

Embedding values in regular communications about how organisations describe what they do helps the values live in the organisation in a practical sense. Leaders are also well-placed to share examples of good practice, which can have the effect of both encouraging expected behaviours and boosting morale.

"In leadership, you find examples to spotlight, to make it ripple out. So as a headteacher, on a Friday afternoon, I'd walk around the school and spot good examples of the school's values in action so on a Monday morning I could report back the good stuff the teachers were doing."

Geoff Barton, General Secretary, Association of School and College Leaders, 13 May 2022

Case study 2 explains the approach taken by Tamara Finkelstein, Permanent Secretary in the Department for Environment, Food and Rural Affairs (Defra), to setting the tone for ethical leadership in her department, and how she creates safe spaces for the workforce to explore what it means to exhibit the values in the Civil Service Code.

Leaders will need to take a variety of approaches to reach out to their workforce, depending on the size and nature of their organisation. We heard that for small public bodies, size can be both an advantage and a disadvantage. Leaders can get to know all staff and have honest conversations with them. However, if a culture starts to break down in a small organisation, it can be damaging as interactions become very personal, very quickly.

It was clear from a meeting we held with a group of police officers and staff that there are differences between police forces in terms of the visibility of senior leadership and their promotion of ethics and values. Wendy Williams CBE, HM Inspector of Constabulary and HM Inspector of Fire and Rescue Services, told us that the leaders of higher performing police forces are committed to engaging regularly with officers and being a visible presence. They are consistent in the messages they communicate and test if the messages are understood through a robust performance development process and external scrutiny panels that look at performance and how a force carries out its duties.

"One chief of a police force does a series of roadshows, for two months every year. Their workforce is made up of many thousands of people. The Chief Constable goes out and speaks to about 250 people at a time about the Code of Ethics, behaviours and the values of the force and makes clear their expectations. Another police force has a chief who holds smaller meetings and targets more junior members of staff and officers to gauge whether their messages to the senior team are getting through to the frontline."

Wendy Williams CBE, HM Inspector of Constabulary and HM Inspector of Fire and Rescue Services, 25 May 2022

Keith Leslie, Chair of Samaritans, told us how he reached out directly to the charities' 200 branch directors, who manage the 22,000 Samaritans volunteers. The Chair and Chief Executive set up one-hour 'coffee chats' with groups of six to ten branch directors with an open agenda. Over the course of a year, they were able to communicate directly with all of the frontline management several times. Meeting in this way allowed the board to surface issues with the frontline and to discuss areas where further explanation from the centre was required.

Consistency

Leaders must convey the same messages about the values that are important to them, regardless of the context and the pressure they may be under. This requires leaders to role-model the behaviour they want to see in their own staff and to lead by example by making decisions that are consistent with the organisation's values. We heard how aligning people-related decisions with the values of an organisation can have a huge impact. For example, if people who are known to have demonstrated bullying behaviour are seen to be rewarded through end-of-year bonuses and promotion, this action speaks more strongly than any words supporting zero-tolerance of bullying and harassment.

Some contributors to the review emphasised the importance of transparency in decision-making for open communication. People will not always like the decisions their leaders take but are more accepting if they understand the complexities and can see the rationale. Sharing the decision-making process and the weight given to different factors not only helps to remove the scope for speculation, but also helps staff to develop their own judgement.

Leading by example can take many forms. One area several contributors raised with us was the importance of leaders talking about their own failures as a way of embedding a learning culture and making it safe to speak up. We explore this further in chapter 3.

We have discussed why consistency between the values of an organisation and how leaders behave is important for encouraging desired behaviours throughout an organisation. It is also important that there is consistency between how organisations present their purpose and values to the public and internal communications to the workforce about how public services must be delivered.

The public need to know what they can expect from organisations they interact with, or who makes decisions on their behalf, whether that is knowing they will be treated with compassion when attending a hospital appointment, or with respect and courtesy when reporting a crime. Officials therefore need to know what the organisation expects of its workforce within this context and leaders must ensure that the organisation's policies and practices are aligned with its values.

Case study 3 illustrates this point in the context of the COVID-19 pandemic, when the Government Chief Scientific Adviser (GCSA) and the Scientific Advisory Group for Emergencies (SAGE) secretariat ensured that the principle of openness was translated into practice through publishing a high volume of SAGE papers and minutes. The Government Office for Science provided the secretariat for SAGE, which was activated in response to the COVID-19 pandemic. There were huge challenges involved, including balancing the need to get the minutes and papers out quickly, with ensuring ministers had the chance to consider policy formation before publication. The approach adopted had many benefits, including allowing the public to understand and question how the government viewed and used the scientific evidence to make decisions affecting them.[16]

Consequences

We heard that zero tolerance of behaviour that does not align with the values of the organisation is essential for embedding good practice. Leaders must be clear that there is a line which, when crossed, results in consequences.

There is value in being as open as possible about the outcome of disciplinary action, while respecting the confidentiality of individuals, so that people can see that action is taken. Talking openly about complaints and the outcomes can build confidence in the system and is an opportunity for learning and reinforcing expectations about behaviour.

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16 'Openness' is one of the Principles of Public Life and a core value in the Civil Service Code.

> "The strategic approach is to address it [disciplinary action] openly, otherwise you create poison. We think you should publish annual statistics – how many complaints, what stage they reached, are there good informal mechanisms, how many people got to the final stage and of those, how many are dismissed or resigned – to show there is no culture of impunity."
>
> **Anand Aithal, Lead Non-Executive Director for the Cabinet Office, 6 June 2022**

One Chief Executive of a public body told us about his experience of taking action in a specific case where staff who were managing a committee felt bullied by a senior board member who was sitting on the same committee. The Chief Executive spoke to the board member, who then adjusted the behaviour. This was very well received by staff who were interested in whether poor standards would actually be addressed by the leadership. Poor behaviour by senior people, whether executive or non-executive, is particularly harmful to the culture of an organisation as it undermines the values and creates the impression that leaders are not really serious about high standards.

Section 2: Leadership at all levels

> "The key is middle management. It's what's done in a police van at 4am that determines the culture."
>
> **Chief Constable Dr Richard Lewis, Ethics Portfolio Lead, National Police Chiefs Council, 19 May 2022**

Senior leaders have a vital role in setting the tone from the top of an organisation. However, the 'tone from above' is critical to shaping organisational culture and the importance of leadership at all levels came through in the evidence we heard.

> "Our survey data show that the leader is not just the chief executive, but everywhere in the organisation and that middle managers demonstrating leadership, judgement and making decisions for their team is really important."
>
> **Dame Susan Rice, Chair, Financial Services Culture Board, 16 May 2022**

Most people working in organisations, whether in the public, private or charitable sectors, will have limited visibility of the top team, but regular interactions with their more immediate managers. One leader in the private sector told us how the middle managers in the company offer the biggest opportunity to bring the culture to life.

Another leader shared his view that the COVID-19 pandemic has shown how middle managers can have a hugely positive impact on the culture of an organisation. Local teams solved local problems with empowerment delivered through circumstance and the most successful managers demonstrated empathy in how they managed their workforce.

Conversely, where teams work in silos and without adequate supervision, there is a risk that unhealthy micro-cultures can emerge, as seen in recent examples in the police.[17] The culture an organisation aspires to will not emerge in a vacuum. Unless actively shaped and cultivated, cultures will develop independently, often based on what team members perceive to be important to, and valued by, their immediate line manager.

Middle managers play a critical role in an organisation. They are often required to reconcile conflicting demands from above – for example, to do more with less while improving wellbeing, and to juggle a wide range of priorities. To get to the point where leaders at all levels walk a common path with a consistent view of how the values should be reflected in day-to-day behaviours, all managers need to be supported and empowered from above and they need to understand the leadership responsibility they have. Prioritising training and space for discussion and reflection for middle managers is central to this, and we explore good practice in this area in chapter 4. Ensuring that recruitment and performance management policies are geared towards high standards of behaviour

(see chapter 6) is also critical to building a team of middle managers aligned to the ethical values of the organisation.

Former Permanent Secretary, Dame Clare Moriarty, told us that it is important to build expectations securely through the organisation. She would ensure her top team was genuinely and visibly aligned and then expect them to each discuss the required behaviours within their own teams. She said that in any organisation there are natural change makers who are trying to do things differently. She suggested leaders should seek out these change makers, who may be at any level, shining a spotlight on their ideas and "holding an umbrella over them when things go wrong" in order to hold some of that risk.

We also heard how on the frontline of policing, those people working on the ground with communities and engaging with the public can be responsible for shaping the culture. This is consistent with our view that all public office-holders must demonstrate leadership in adhering to the Principles of Public Life, regardless of their formal grade or management responsibilities.

> **"**
> **All managers need to be supported and empowered from above and they need to understand the leadership responsibility they have.**

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17 Independent Office for Police Conduct, Met accepts IOPC recommendations after Operation Hotton investigation uncovers bullying and harassment (7 April 2022). Accessed online August 2022: **www.policeconduct.gov.uk/news/met-accepts-iopc-recommendations-after-operation-hotton-investigation-uncovers-bullying-and**

The leadership role of professions

In chapter 1 we noted that public sector workers who are members of professions (such as lawyers, accountants, doctors and nurses, and human resource professionals) must comply with the values and principles set out by their regulators or professional bodies. Complying with high ethical standards is central to their ability to practise and to their good reputation as they go through their career. Professionals can therefore have a positive impact on the culture of an organisation. Professional bodies have a role to play in supporting those they represent. **Case study 4** explains how the Institute of Chartered Accountants of Scotland (ICAS) encourages chartered accountants to be an advocate for high ethical standards in the places they work.

Multi-disciplinary contexts, where different professions work alongside each other, can present challenges. We have seen high-profile examples in the health sector in recent years where this has created barriers and contributed towards poor outcomes for patients. We explore these issues further in chapter 4.

Questions for leaders

➤ How do the people in your organisation know that you care about the Principles of Public Life?

➤ What do you do to help people understand how the Principles of Public Life translate to the standards of behaviour expected in their day-to-day work?

➤ How do you address behaviour that is not consistent with the Principles of Public Life?

➤ How do you know that people across your organisation are hearing a consistent tone from their managers in relation to the standards of behaviour expected of them?

Chapter 3: Encouraging a 'speak up' culture

A clear theme throughout the evidence we heard was the importance of the role of senior leaders in creating an environment where people feel that they can speak up if they have concerns. In this section we look at what organisations stand to gain from a healthy 'speak up' culture, the barriers to speaking up, and the conclusions we have drawn about how to overcome these roadblocks and put in place good practice.

Section 1: Benefits and barriers

> "
> **If leaders are serious about creating a culture where people are willing to speak up, they must identify and dismantle the barriers to doing so.**

Whistleblowing of certain categories of wrongdoing is protected in law.[18] It is crucial for good governance that organisations have effective whistleblowing arrangements in place that support people to speak up when they see clear evidence of lawbreaking or serious wrongdoing.[19] The best organisations also have a broad ambition for people to be comfortable raising concerns when things 'just don't feel right'.

In chapter 1, we mentioned the risk management benefits for organisations where workers are alert to ethical issues and willing to speak up if they feel uncomfortable. This provides leaders with the opportunity to surface potential problems and resolve concerns before they escalate. However, the value of speaking up lies not only in identifying risks but in helping organisations to excel. The NHS National Guardian's Office encourages people who work in healthcare to speak up about anything which gets in the way of patient care and worker wellbeing. This may include raising concerns but it also encompasses making suggestions for improvements where systems and practices are good, but could be even better.[20]

Viewed through the prism of the Principles of Public Life, if people do not feel able to question decisions or practices, it is unlikely that decisions will remain objective, that the institution will meet the requirements of accountability, or that those within it will be able to act with integrity.

In addition, we believe that if people feel safe to share their ideas or raise an alternative viewpoint, even against the majority opinion, this can guard against 'groupthink' and have the effect of strengthening the robustness of decision-making in the public sector.

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18 Protect, Public Interest Disclosure Act 1998. Accessed online August 2022: **protect-advice.org.uk/pida/**

19 Institute of Business Ethics, New rules bring new risks – whistleblowing is a golden thread for ESG, guest blog by Elizabeth Gardiner, Chief Executive of Protect (7 September 2022). Accessed online September 2022: **www.ibe.org.uk/resource/new-rules-bring-new-risks-whistleblowing-is-a-golden-thread-for-esg.html**

20 National Guardian, Freedom to Speak Up, Speaking Up. Accessed online August 2022: **nationalguardian.org.uk/speaking-up/**

If leaders are serious about creating a culture where people are willing to speak up, they must identify and dismantle the barriers to doing so.

Research by the Institute of Business Ethics shows fear and futility remain powerful barriers to speaking up. People are silenced by fear for the impact on their career and a lack of confidence that action will be taken if they raise their concerns.[21] In a multi-sector survey representing multiple organisational levels, the top reason for keeping quiet was the fear of being perceived negatively, closely followed by the fear of upsetting or embarrassing another person.[22]

Elizabeth Gardiner, Chief Executive of Protect (the UK's whistleblowing charity), told us that 65% of whistleblowers who go to Protect say they have experienced some detriment as a result of speaking up. The Institute of Business Ethics' Ethics at Work Survey revealed that 43% of employees who had spoken up felt that they had experienced retaliation as a consequence. We discuss policies for addressing retaliation in section 2.

The 2021 Civil Service People Survey showed that of those who said they had experienced bullying or harassment in the past 12 months (7% of employees), 39% had reported these incidents. We were told that some civil servants are reluctant to speak up because when they do, it is not welcomed by senior leaders and is seen as career-limiting.

Recent high-profile examples in the NHS have shown that failing to speak up can lead to tragedy. The Ockenden report on maternity services at the Shrewsbury and Telford Hospital NHS Trust described a culture of "them and us" between the midwifery and obstetric staff, which made midwives fearful of escalating concerns.[23]

In their report on leadership and management in the health and social care sector, General Sir Gordon Messenger and Dame Linda Pollard found that "complex inter-professional and status issues in the workplace" resulted in poor behaviours and attitudes such as discrimination, bullying and blame cultures in certain parts of the health and social care system, with some staff in the NHS in particular not feeling sufficiently comfortable to speak up about these poor behaviours.[24]

21 Institute of Business Ethics, Ethics at Work: 2021 International Survey of Employees.
    Accessed online September 2022: **www.ibe.org.uk/ethicsatwork2021.html**

22 Reitz M and Higgins J, Speaking truth to power: Why leaders cannot hear what they need to hear.
    BMJ Leader 2021; 5: 270-273.

23 Ockenden Report – Final (2022). Available at: **www.ockendenmaternityreview.org.uk/wp-content/
    uploads/2022/03/FINAL_INDEPENDENT_MATERNITY_REVIEW_OF_MATERNITY_SERVICES_
    REPORT.pdf**

24 Leadership for a collaborative and inclusive future (June 2022). Available at: **www.gov.uk/government/
    publications/health-and-social-care-review-leadership-for-a-collaborative-and-inclusive-future/
    leadership-for-a-collaborative-and-inclusive-future**

Section 2: Policies and structures

Good practice on speaking up starts with effective policies, robust procedures and appropriate safeguards for people who raise concerns. The challenge for organisations is to ensure that issues are directed through the right channel. A whistleblowing hotline would be part of that, but there should also be different routes for people to speak up if they see bullying or have a safeguarding concern in relation to a vulnerable person – and of course, people may raise concerns with their line manager in the first instance, where appropriate and they feel comfortable doing so.

In some organisations, non-executive directors are appointed with responsibility for championing a 'speak up' culture. For example, in the financial services sector, the Financial Conduct Authority expects that a firm will appoint a non-executive director as its whistleblowers' champion, with "the responsibility for ensuring and overseeing the integrity, independence and effectiveness of the firm's policies and procedures on whistleblowing".[25]

All organisations providing NHS healthcare services are expected to appoint a senior lead responsible for Freedom to Speak Up and, if the organisation has a board, a non-executive director.[26]

We note that part 2 of the Boardman review recommended that each government department should appoint a senior civil servant as the whistleblowing champion for the department – one of a number of recommendations on strengthening whistleblowing procedures in government.[27]

Protect has established a whistleblowing benchmark against which organisations can assess their own practices.[28] We heard from contributors that visibility is key: employees need to know how to raise a concern, and 'speak up' guardians and board-level whistleblowing champions need to have a profile within the organisation.

'Speak up' schemes

Organisations and sectors have put in place models and structures to help workers to speak up. In the NHS, a network of Freedom to Speak Up Guardians is supported and led by the NHS National Guardian's Office **(see case study 5)**.[29] In the police, there are a variety of internal forums, and Crimestoppers and the Independent Office for Police Conduct are used as external mechanisms.

25 Financial Conduct Authority Handbook: SYSC 18.4 The whistleblowers' champion.
Accessed online November 2022: **www.handbook.fca.org.uk/handbook/SYSC/18/4.html**

26 NHS England, The national speak up policy. Accessed online August 2022:
www.england.nhs.uk/publication/the-national-speak-up-policy/

27 A review into the development and use of Supply Chain Finance (and associated schemes) in government.
Part 2: recommendations and suggestions (5 August 2021). Available online at: **assets.publishing.
service.gov.uk/government/uploads/system/uploads/attachment_data/file/1018176/A_report_by_
Nigel_Boardman_into_the_Development_and_Use_of_Supply_Chain_Finance__and_associated_
schemes__related_to_Greensill_Capital_in_Government_-_Recommendations_and_Suggestions.pdf**

28 Protect, Our Whistleblowing Benchmark. Accessed online August 2022:
protect-advice.org.uk/our-benchmark/

29 The National Guardian's Office and the role of the Freedom to Speak Up Guardian were created in response
to recommendations made in Sir Robert Francis QC's report 'Freedom to Speak Up' in the wake of the
tragedies at Mid Staffordshire Hospital: **freedomtospeakup.org.uk/the-report/**

> **"**
> Speak up guardians or officers must have ring-fenced time to support people to speak up and raise awareness of how to do so, and senior leaders must actively support the speak up guardians or officers in their organisation.

In government departments, staff volunteer as Nominated Officers to offer impartial support and advice, outside the management chain, to those who suspect wrongdoing and may want to raise a concern. Nominated Officers can also provide information about the Civil Service Code and the role of the Civil Service Commission in acting as an appeal mechanism for concerns that relate to a potential breach of the Code.

Government departments also have Fair Treatment Confidants: employee volunteers who are trained to listen, offer support and signpost staff to the most appropriate routes if staff have a workplace issue that they are worried or anxious about.

When we spoke to a group of Nominated Officers, we discovered a lack of standardisation across departments in terms of the scope of the role, the training provided and the senior-level support the officers had received. Some departments are working on improving their policies and their leaders are focused on encouraging people to speak up sooner. In others, leaders had shown minimal interest

in the Nominated Officer role or even awareness that they have a responsibility for building a 'speak up' culture. We were surprised to note that there is no active network of Nominated Officers operating across government departments. This is a missed opportunity for invaluable peer support.

Two particularly critical aspects of an effective 'speak up' scheme came through in the discussions we had with NHS Guardians and government Nominated Officers. 'Speak up' guardians or officers must have ring-fenced time to support people to 'speak up' and raise awareness of how to do so, and senior leaders must actively support the speak up guardians or officers in their organisation.

Addressing retaliation

It is critical to confidence in 'speak up' processes that victimisation is dealt with firmly and seen to be done so. The Institute of Business Ethics strongly encourages senior leaders to state very clearly in their organisation's code of ethics that retaliation will not be tolerated. Their research suggested that many of the UK's largest companies now make such statements, although it was far less clear exactly what they were doing to prevent, detect and address retaliation.[30] One professional services company has put in place a formal process to contact at intervals staff who report concerns, to monitor whether they have suffered any detriment **(case study 6)**. In another professional services company, future progression of staff is monitored over a five-year period to see if there is a pattern of consequences for those raising concerns.

30 Visslan, Institute of Business Ethics: Speaking up for whistleblowing, guest blog by Prof. Chris Cowton, Associate Director (Research), Institute of Business Ethics (12 May 2022). Accessed online August 2022: **www.visslan.com/en-blog/institute-of-business-ethics-speaking-up-for-whistleblowing**

> **"**
> It is critical to confidence in 'speak up' processes that victimisation is dealt with firmly and seen to be done so.

> **"**
> People need to feel that leaders are genuinely interested in what they have to say and leaders need to become better at creating opportunities to hear from them.

Section 3: Listening and acting on concerns

Policies, processes and structures do not themselves create a 'speak up' culture. We were surprised to hear that in one organisation not a single case had been reported over the last ten years, despite there being 'speak up' processes in place. There is no optimal number of 'speak up' reports in a successful organisation, although one US study found that on balance, more reports are a good thing, reflecting greater trust in management by employees and a greater flow of information to management about potential problems.[31]

'Speak up' data can provide valuable insight into areas of concern. In chapter 5, we look at how data on complaints raised under 'speak up' processes and staff survey results can be analysed with other data to provide a coherent overview of the culture of the organisation.

Encouraging staff to trust the system requires the ongoing commitment of leaders. Experts have written about how leaders often underestimate how their power can silence others. People need to feel that leaders are genuinely interested in what they have to say and leaders need to become better at creating opportunities to hear from them, including in informal settings which may be less intimidating than formal meetings.[32]

> "It's not just engagement, but a commitment from leaders to having the right culture. You need to have a policy and have that policy enacted every day. So people feel comfortable to talk about what needs talking about. And you also need to listen to the silence: why is there silence in some areas and not others?"
>
> **Dr Jayne Chidgey-Clark, National Guardian for the NHS, 28 April 2022**

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31 Welch K and Stubben S, Throw Out Your Assumptions About Whistleblowing, Harvard Business Review (14 January 2020).

32 Reitz M and Higgins J, Speaking truth to power: Why leaders cannot hear what they need to hear. BMJ Leader 2021; 5: 270-273.

Contributors told us repeatedly that there is no substitute for being visible and contactable, listening attentively to problems and issues. Strong leadership requires a curiosity about their organisations and a genuine desire to make improvements.

We heard from contributors that leaders showing vulnerability can create a sense of psychological safety in an organisation. Tanuj Kapilashrami, Group Head of Human Resources at Standard Chartered, told us that an important part of the company's leadership work is encouraging leaders to become comfortable with sharing and learning from their failures. Keith Leslie, Chair of Samaritans, told us how he is committed to – conversation by conversation – slowly moving frontline volunteers from defensiveness about failures in quality or safety (fearing that it will damage the organisation) to a much more robust view that being open about mistakes and constantly improving training will benefit the organisation. Such an approach builds a learning culture where people are comfortable with discussing what went wrong in order to ensure a better response next time.

Learning from mistakes is behind the 'just culture' embedded within the civil aviation sector, where the overriding objective is passenger safety. Everyone is encouraged to speak out if something goes wrong so that the organisation can learn from mistakes and put in place measures to stop a repetition, potentially with more serious consequences. Individuals are still held accountable for gross negligence or wilful misconduct, but honest human mistakes are seen as a learning opportunity for the organisation and its employees. We heard

from contributors in the health sector that the NHS is talking more about the 'just culture' concept. It is clear there is a long way to go, but the more people see a just culture in action, the more confident people will feel to speak up.

We heard powerful evidence from a group of NHS Freedom to Speak Up Guardians that the way leaders respond when people raise concerns is critical to confidence in the system. If leaders do not listen with curiosity and appreciation and follow up on what they have heard, people can feel disheartened, which means they are less likely to raise concerns again or encourage their colleagues to do so. Conversely, when people have a good experience of speaking up, there is a positive ripple effect through the organisation. The NHS Guardians were clear that sharing the outcome of cases while respecting confidentiality is really important so people can see what action was taken in response and the positive difference people can make when they speak up.

> "If leaders don't listen and follow up, people feel disheartened and wouldn't do it again or tell colleagues 'I've raised an issue but nothing happened'. Senior leaders need to think about what action to take and to feed back to the workforce what's been done in response. This is a cultural change piece, not an overnight fix, a hearts and minds campaign needed across the whole organisation."
>
> **Freedom to Speak Up Guardian, 12 July 2022**

It was apparent from our meeting with the NHS Guardians that there is a disparity in the personal attention that leaders pay to building a 'speak up' culture in their organisations and in the level of support offered by senior leaders to the Guardians. Examples that were given of a positive approach were chief executives including speaking up and wider cultural issues in their blogs and other communications with the organisation, and a Trust Board development day focused on speaking up, supported by Guardians.

We heard some examples of organisations sharing good practice on creating a 'speak up' culture. For example, the National Guardian's Office convenes pan-sector meetings to share good practice across the public and private sectors. **Case study 7** features the network set up by the Wellcome Trust for charities to meet and share practical learning and experiences. The Institute of Business Ethics has long been at the forefront of sharing good practice on 'speak up' processes within the private sector, as part of its broader aim to support the highest standards of ethical behaviour in business.

Questions for leaders

➤ Are there clear and well-understood ways that people across your organisation can raise their concerns when things 'just don't feel right'? How do you know these routes are trusted?

➤ What do you do to ensure that retaliation is not tolerated in your organisation?

➤ How do you ensure you are listening to the concerns and suggestions of people in your organisation? Are you being open and transparent in communicating the outcome to people in your organisation, while respecting confidentiality?

➤ How do you know the managers in your organisation are listening and responding well to concerns that are raised directly with them?

Chapter 4: Training, discussion and decision-making

In this chapter we discuss how best to support public office-holders to develop the awareness, skills and ethical sensitivity to act in line with the Principles of Public Life. This support should involve training and other opportunities to reflect on the practical application of the Principles.

As we explained in the introduction, compliance with rules is not the same as understanding and acting in accordance with the ethical values that underpin them. There must be training on compliance with legal requirements and rules, such as prevention of fraud and bribery and policies on the disclosure of conflicts of interests. But there must also be attention given to supporting those in public life to internalise the values in the Principles, leading to improved judgement and ultimately, better decision-making in the public interest. We heard that civil servants want to discuss ethical values, but there is not much encouragement in the system to have those discussions.

> **"**
> **Compliance with rules is not the same as understanding and acting in accordance with the ethical values that underpin them.**

"People really do want to talk about this… it fires them up, it brings back something human and important in their lives. One civil servant said to me, 'I feel like I've been given my moral agency back', as if it had been deadened by their work. Something had woken up in them. As our civil servants are our custodians of propriety, that matters, constitutionally."

Dr Claire Foster-Gilbert, Director, Westminster Abbey Institute, 12 April 2022

Section 1: Training and development

CSPL's first report identified guidance and education as one of three 'common threads' for ensuring the Principles of Public Life are properly understood and followed, alongside codes of conduct and independent scrutiny.[33] We believe that training is integral to embedding high standards, as part of a multi-faceted approach in which ethical values are reflected in all of an organisation's policies and practices – led with vigour from the top. We looked at induction training in our 2014 report, 'Ethics in Practice: Promoting Ethical Conduct in Public Life'.[34] Induction provides an opportunity to set the ethical tone of the organisation and establish behavioural expectations.

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33 Committee on Standards in Public Life, MPs, Ministers and Civil Servants, Executive Quangos (2015). Available at: **www.gov.uk/government/publications/mps-ministers-and-civil-servants-executive-quangos**

34 Committee on Standards in Public Life, Ethics in Practice: Promoting Ethical Standards in Public Life (2014). Available at: **www.gov.uk/government/publications/ethics-in-practice-promoting-ethical-standards-in-public-life**

We continue to believe that "a good indication of the ethical climate of any organisation and the extent to which ethics are truly embedded within that organisation is the profile of material on ethical principles and any codes of conduct within an induction programme". However, as we noted in our 2013 report 'Standards Matter', the effects of induction can wear off quickly. It is important that learning about ethical issues is reinforced at appropriate moments by further training.[35]

Raising awareness and skills development

Regular training helps raise awareness of ethical values and the codes of conduct that people are required to adhere to. It can also give people the tools for working through a situation where the right course of action is not immediately obvious. Scenario-based training is especially valuable in helping people to understand what is expected of them in the context of their workplace or role, and should be based around the organisation's main risks.

Those in particularly influential positions or exposed to greater ethical risks may benefit from bespoke training to support them. For example, the Propriety and Ethics Team in the Cabinet Office has developed specific training for permanent secretaries' offices and ministerial private offices, given the responsible and high-profile roles that private secretaries play in their respective departments **(see case study 8)**.

The prospectus for the new Leadership College for Government explains how they will take a case method approach to learning and development. This approach allows "individuals and teams [to] reflect on ethics, leadership styles, changing cultures, and much more".[36] The training and development provided by the Civil Service to its leaders is described in the National Audit Office's report, 'Leadership development in the civil service'.[37]

Some professionals are required by their regulator or professional body to undergo training and development to ensure they are alert to the particular ethical challenges they may be exposed to. James Barbour, Director of Policy Leadership at ICAS, told us how ethics has become a more consequential part of professional training for chartered accountants, with the introduction of public trust and ethics exams which students must pass in order to qualify (these replaced an ethics essay that could be resubmitted until it was passed), and a new mandatory ethics continuing professional development requirement. Andrea Sutcliffe, Chief Executive and Registrar at the Nursing and Midwifery Council, talked to us about the importance of reflective practice in helping nurses, midwives and nursing associates to assess their professional experiences and consider how they can demonstrate they are living the standards of practice and behaviour set out in the Nursing and Midwifery Council Code.

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35 The Committee on Standards in Public Life, Standards Matter: A review of best practice in promoting good behaviour in public life (2013). Available at: **www.gov.uk/government/publications/standards-matter-a-review-of-best-practice-in-promoting-good-behavior-in-public-life**

36 Leading to Deliver: A Leadership and Management Prospectus. Accessed online November 2022: **www.gov.uk/government/publications/leading-to-deliver-a-leadership-and-management-prospectus/leading-to-deliver-a-leadership-and-management-prospectus**

37 National Audit Office, Leadership development in the civil service. Available at: **www.nao.org.uk/reports/leadership-development-in-the-civil-service/**

Facilitated training and discussion

Facilitated training allows space for people to discuss the ethical dilemmas they may encounter and to practise using ethical principles to help them reach an outcome that they can justify.

> E-learning can be a cost effective way to train a large number of staff in the shortest available time. However, face-to-face training has the biggest impact on behaviours. In-person training provides the opportunity to delve deeply into the issues and participants can share what the scenarios really mean to them.
>
> Scenarios are an effective training mechanism because they link learning to real life and the experiences of the participants. This connection is the key to creating the motivation to learn and embed the message of the training.
>
> **Extract from the Institute of Business Ethics website**[38]

Some organisations combine e-learning and face-to-face discussion. For example, a company we spoke to told us how partners have used scenario-based e-learning as a basis for having discussions with their teams. In the Civil Service, an online, interactive induction course has been developed for newly appointed civil servants. The first part explains civil servants' obligations under the Civil Service Code and the Principles of Public Life, featuring scenarios civil servants might be faced with in their roles. The course encourages civil servants to discuss the Civil Service Code with their line manager or team and materials are provided to candidates for this purpose.

We heard how, as part of the 'One Home Office' transformation programme, the Home Office has supported managers to hold conversations within their teams about how they are living the Home Office values. Facilitators of all grades are also being trained and provided with toolkits to lead conversations about a variety of subjects related to the future of the Home Office. The aim is to involve everyone in the change, with feedback directed into the transformation programme.

Methods of delivery

How training is delivered can have an impact on its success. The Ockenden report identified that a failure to work collaboratively across disciplines was a key contributor to the poor outcomes experienced by mothers or their babies, and concluded that staff who work together must train together. The report recommended that all members of the multidisciplinary team working within maternity should attend regular joint training, governance and audit events.[39] The need to strengthen collaborative leadership was a key driver behind the recommendations from General Sir Gordon Messenger and Dame Linda Pollard for a new, national, entry-level induction for all who join health and social care.

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38 Institute of Business Ethics, Training and Reinforcement. Accessed online August 2022: **www.ibe.org.uk/knowledge-hub/ibe-business-ethics-framework/training-and-reinforcement.html**

39 Ockenden Report - Final (2022). Available at: **www.ockendenmaternityreview.org.uk/wp-content/uploads/2022/03/FINAL_INDEPENDENT_MATERNITY_REVIEW_OF_MATERNITY_SERVICES_REPORT.pdf**

Their report, 'Leadership for a collaborative and inclusive future' also recommended a locally delivered mid-career development event, "designed to bring together professionals from all parts of health and social care around the triple lens of collaborative leadership, broader cross-sector awareness and understanding, and behavioural expectations."[40]

Contributors to our review shared with us different approaches to delivering training. Robert Smith, Director of Business Compliance and Ethics at Serco Group plc, shared an approach to cascading training through an organisation **(case study 9)**, which empowered middle managers to build an ethical culture in their teams.

> **"**
> **All managers should be mindful of their responsibility to discuss the Principles of Public Life and what these mean for their team in the specific context of their roles and organisations.**

Debbie Allen, Group Director of Governance, Conduct and Sustainability at BAE Systems, told us how they have adopted manager-led training using scenarios based around issues identified through calls to their employee helpline. Managers are supported in facilitating conversations through a managers' handbook which sets the scene for each scenario and includes questions to prompt conversation and areas where more guidance and advice is available. The focus is on making the discussions relevant and not accusatory or threatening. The company fits the conversations into how teams carry out their work – for example, operational area managers have a one-page crib-sheet and conversations take place on the shop floor.

> "We have a global call, almost once a month, where all people leaders are invited. Previously, other calls had been about cascading things. We said to ourselves – we've got leaders across levels who manage large teams – so let's bring them together, discuss a topic and get them to learn from each other. I host all of these calls, and we invite a panel of leaders from all walks of life, put forth problems, situations as well as opportunities out there, and try to learn from each other's experiences. It has become a very powerful forum – leaders are proud to be on the panel, to be sharing experiences, learning and shining a spotlight on good practices. We've often had almost 5,000 people leaders dial in for these calls."
>
> **Tanuj Kapilashrami, Group Head of HR, Standard Chartered, 17 May 2022**

It is clear that there is no one-size-fits-all approach to training and development on ethics and behavioural expectations. Organisations can select from a variety of methods and practices: they know best what will work for them, depending on the nature and culture of their organisation. However, it should include an organised programme of formal training, regular informal discussion and learning from other leaders.

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40 Department of Health and Social Care (June 2022), Leadership for a collaborative and inclusive future. Available at: **www.gov.uk/government/publications/health-and-social-care-review-leadership-for-a-collaborative-and-inclusive-future/leadership-for-a-collaborative-and-inclusive-future**

All managers should be mindful of their responsibility to discuss the Principles of Public Life and what these mean for their team in the specific context of their roles and organisations. They should take regular opportunities to do so.

Section 2: Ethics forums and counsellors

Some organisations have created forums and appointed ethics counsellors to provide their workforce with safe spaces to discuss ethical issues. In this section we discuss some of the examples that were shared with us.

Nearly every police force has its own ethics committee. They are made up of people of all ranks and grades, and include people external to the police service. Any police officer or staff member can pose a dilemma for the committee to consider. The committee will not 'rubber stamp' a decision but will facilitate an open discussion, exploring all angles and suggesting the issues that the officer or staff member could think about to inform their decision-making process.

Some police officers told us that there are challenges in encouraging frontline officers to bring cases for consideration, with suspicion and time constraints cited as possible reasons for reticence. Chief Constable Dr Richard Lewis, Ethics and Integrity Portfolio Lead for the National Police Chiefs Council, explained that there can be a tendency for the committees to focus on local staffing issues, and while these are important, the NPCC is trying to encourage the discussion of mental health, policing and digital ethics and police leadership – key ethical concerns which are driving the debate at the national level.

Case study 10 shows how issues raised in one ethics committee led to the development of practical guidance to support frontline officers in similar cases. **Case study 11** shows how the exchange of ethical dilemmas between police and medical ethics committees has been mutually beneficial in offering a different perspective and suggests this approach could have wider application in the public sector.

Staff forums provide an opportunity for the workforce to come together to talk about ethical values and expected standards of behaviour. The Wellcome Trust told us about their series of lunchtime talks open to all staff called 'The Only Way is Ethics'. On a quarterly basis, they host a new 'episode' in which they tackle a different integrity topic.

"We structure the sessions so that the external speaker talks about the 'big picture' and why that integrity topic is fundamentally important – this tends to attract a good audience. I (or one of my team) then link that topic to Wellcome's mission and values – why it is important for our organisation – and then we unpack what each of us can do individually in pursuit of that: our individual actions, taken collectively, drive our impact."

Fraser Simpson, Associate General Counsel, Wellcome Trust, 29 April 2022

Many companies also have a network of volunteer ethics ambassadors to disseminate messages from the central ethics function across the organisation and act as advisers to local staff.[41]

The UK's three intelligence and security agencies have ethics counsellors whose role is to encourage open internal discussion of ethical issues and act as a point of contact for any officer who has a concern of an ethical nature. **Case study 12** explains how this role works in GCHQ.

Section 3: Decision-making tools

When ethical values are embedded in an organisation, they guide actions and decisions and become integral to 'how things are done around here'.

Decision-making models can help people to make difficult decisions while living up to the highest ethical standards expected by their organisations. They can bring to the forefront core ethical principles and prompt people to ask themselves questions so they can reach a decision they are comfortable with justifying. The police national decision model is an example of such a tool, and is the primary decision-making model for police in England and Wales. Each component provides the user with an area for consideration, with the Code of Ethics at the centre. This recognises the need for all police decisions to be consistent with the principles and standards of behaviour set out in the Code. Decision-makers can use the national decision model to structure a rationale of what they did during an incident and why. Managers and others can use it to review decisions and actions, and promote learning.[42]

The Institute of Business Ethics has created a decision-making model consisting of a series of simple questions and many companies have included a similar framework within their Code of Ethics or Code of Conduct. When faced with a difficult ethical dilemma, the models encourage colleagues to ask questions that might not otherwise be front and centre in their deliberations, including questions such as:

- Is it in line with our values?

- Would I be comfortable explaining my decision to my family?

- Would it still be acceptable if everyone did it?

- Have I taken into account the impact of my decision on others?

- How would I feel if it happened to me?

The question 'is it legal' is a vital question to answer but should not be the only question. Just because something is legal does not mean it is right.

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41 Institute of Business Ethics blog, Ethics ambassadors: Helping hands across the organisation (26 January 2022). Available at: **www.ibe.org.uk/resource/ethics-ambassadors-helping-hands-across-the-organisation.html**

42 National decision model. Available at: **www.college.police.uk/app/national-decision-model/national-decision-model**

Responding to a recommendation of the Windrush Lessons Learned Review, the Home Office has introduced an ethical decision-making model for decision-makers. The review was critical of the immigration decision-making process and found that some decisions were made based on completing a checklist, rather than assessing or evaluating a case in its full context.[43] **Case study 13** provides an example of how the ethical decision-making model has worked in practice. The model is in its infancy, and Wendy Williams noted in her progress update on the Windrush Lessons Learned Review that it was too early to measure its impact and further progress was needed to develop and weave it into normal practice.[44]

Case study 14 explains how the NSPCC has developed a framework to support its employees to make decisions about celebrity endorsements and corporate donations.

Decision-making frameworks support employees to make fair, just and transparent decisions. This is in the interests of those directly impacted by the decision and it is in the interests of the organisation. Boards and senior management want colleagues at all levels to make consistently good decisions when faced with ambiguity and uncertainty. In the public sector, making the right decision the first time reduces the cost and time involved in defending and potentially losing legal challenges. It also promotes confidence in the delivery of public services.

Questions for leaders

➤ Is your staff training specific to the ethical risks and challenges faced by your organisation?

➤ How do you encourage leaders at all levels to discuss the practical application of the Principles of Public Life in their teams?

➤ Have you considered whether the people in your organisation might benefit from dedicated support for considering ethical issues, such as ethics committees or counsellors?

➤ How do you know that people in your organisation are making consistently good decisions that take into account the Principles of Public Life?

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Decision-making frameworks support employees to make fair, just and transparent decisions.

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43 The Windrush Lessons Learned Review recommended that: "The Home Office should develop a set of ethical standards and an ethical decision-making model, built on the Civil Service Code and principles of fairness, rigour and humanity, that BICS staff at all levels understand, and are accountable for upholding… (Recommendation 17)"

44 Windrush Lessons Learned Review Progress update: Independent report by Wendy Williams (March 2022). Available at: **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1065012/14.12_HO_Windrush_Lessons_Learned_Review_Accessible_6_.pdf**

Chapter 5: Governance

In Chapter 2 we looked at the way in which leaders communicate and role-model expected behaviours creates social norms that influence the ethical culture of organisations. In this chapter we look at another aspect of the 'tone from the top': the role of the board in promoting ethical conduct and ensuring that an organisation is living up to its values.

At a joint event held by the Association of Chief Executives and the Public Chairs Forum in June 2022, participants explained the benefits that boards can bring for understanding and mitigating ethical risks and ensuring that an organisation makes decisions in line with its values.

> "Boards can be really good at asking a slightly bigger question about what, when viewed through narrow operational decisions, one after the other, all look reasonable, but add up to something that actually starts to diminish the ethical reputation of the organisation."
>
> **Peter Thompson, Chief Executive, Human Fertilisation and Embryology Authority, 15 June 2022**

> "It's important for the board to have a good knowledge of the core mission of the business and actually discuss things well in advance of them becoming challenges. The board can give a longer wavelength to decision-making than just the executive left to their own devices."
>
> **Mark McAllister, Chair, Office for Nuclear Regulation, 15 June, 2022**

> "Our role as a board is to make sure that our values permeate the way that we do our business and that we monitor them. And frankly, I think if you're a good chair and a good board, you would also try to understand the levers, the drivers that will encourage that buy-in of your staff and indeed your clients and customers as well."
>
> **Colin Mellors, Chair, Local Boundary Commission for England, 15 June 2022**

In the private sector, attention to business ethics has accelerated since the 2008 financial crisis led to a downturn in trust. This caused many business leaders to return to basics and consider the purpose of their organisation, beyond shareholder interests and returns.

The Financial Reporting Council's UK Corporate Governance Code sets out the principles for good governance practice and promotes the importance of establishing a corporate culture that is aligned with the company's purpose, values and strategy.[45] The Code requires all directors to act with integrity, lead by example and promote the desired culture.[46] It also states that: "The board should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the company's purpose, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken."

The Financial Reporting Council's 2021 Review of Corporate Governance Reporting found that overall reporting is improving but more progress is needed. The Financial Reporting Council expects more companies to take a more rigorous approach to culture and set up effective ways of monitoring and assessing both the culture and its alignment with purpose, values and strategy.[47]

Section 1: Board oversight in practice

The Institute of Business Ethics Business Ethics Framework sets out the main elements of a mature ethics programme.[48] Many organisations have a team responsible for leading their ethics programme, although there can be significant variation in terms of the team's place in the organisation and its responsibilities. While some organisations run standalone ethics functions, others combine the ethics and compliance functions or sit the ethics function within HR. The organisation's approach to high ethical standards needs to be owned and led by the executive team.

A board's core purpose is to promote the long-term success of the company in line with its values. Boards that embrace ethical standards explicitly in the way they and the company operate are best placed to achieve the durable benefits that come from doing business ethically.

Institute of Business Ethics website: Knowledge Hub[49]

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45 Financial Reporting Council, The UK Corporate Governance Code (July 2018). Available at: **www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf**

46 All companies with a Premium Listing of equity shares in the UK are required under the Listing Rules to report in their annual report and accounts on how they have applied the Code.

47 Financial Reporting Council, Review of Corporate Governance Reporting (November 2021). Available at: **www.frc.org.uk/getattachment/b0a0959e-d7fe-4bcd-b842-353f705462c3/FRC-Review-of-Corporate-Governance-Reporting_November-2021.pdf**

48 Institute of Business Ethics, The IBE Business Ethics Framework. Accessed online August 2022: **www.ibe.org.uk/knowledge-hub/ibe-business-ethics-framework.html**

49 Institute of Business Ethics, Corporate governance. Accessed online August 2022: **www.ibe.org.uk/knowledge-hub/corporate-governance.html**

Organisations take different approaches to how they practise oversight of their ethics programme, with some setting up an ethics-related sub-committee and others reserving responsibility for ethics with the main board. The Institute of Business Ethics is clear that there is no 'one size fits all' approach to organising for ethics, but has issued guidance on some of the key issues to address and the advantages and disadvantages of different approaches.[50] In cases where ethics are reserved, the Institute of Business Ethics would expect to see an independent non-executive director who is the identifiable lead on these matters. In either case, issues of ethics, values and purpose should be covered on the full board agenda. As we noted in chapter 2, it is common for boards to appoint non-executive directors who are responsible for making sure that systems for whistleblowing are working appropriately.

Governance in central government

There is no single ethics programme in government. Permanent Secretaries are ultimately responsible for the ethical culture of government departments and the systems and roles that support this. The Propriety and Ethics Team (PET) provides advice across central government. PET is often required to be reactive, but they told us they are keen to develop the proactive aspect of their role and have been working on training and systems integrity to encourage people to think about standards and ethics in a wider sense as part of day-to-day decision-making. However, PET is a small team and therefore limited in how much they are able to do.

The Home Office has appointed a member of the Home Office Executive Committee to the role of Ethics Adviser to lead the ethics agenda for the Home Office.[51] The role of Ethics Adviser is held alongside and in addition to the substantive role of a Home Office Executive Director and is supported by a small team. We are not aware of other government departments taking this approach. In the particular circumstances of the Home Office and the Windrush affair, we recognise the need for a visible and organisational response of this kind and will be interested to see how effective and transferable it proves to be.

We spoke to Michael Jary, Government Lead Non-Executive Director, and Anand Aithal, Cabinet Office Lead Non-Executive Director, to understand the role of the departmental board in building and monitoring the ethical culture of central government departments.[52] Anand Aithal told us that the role of the boards is limited inasmuch as some of the powers of corporate boards (such as appointing leaders and being the highest body to which leaders are accountable) do not apply.

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50 Institute of Business Ethics, Discussion Paper, Organising for Ethics. Accessed online August 2022: **https://www.ibe.org.uk/resource/organisingforethics.html**

51 Home Office, Response to the Windrush Lessons Learned Review: A Comprehensive Improvement Plan, paragraph 94 (September 2020). Accessed August 2022: **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/922973/CCS001_CCS0820050750-001_Resp_to_Windrush_Lessons_CP_293_Accessible.pdf**

52 A departmental board model has operated in central government since 2011. See: Corporate governance in central government departments: Code of good practice. Accessed August 2022: **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/609903/PU2077_code_of_practice_2017.pdf**

Instead, boards have soft power and an important role to play in 'walking the talk' and leading by example. Michael Jary explained that the agenda and realised purpose of departmental boards differ across departments, and reflect the preferences of the individual Secretary of State. The attention given to values, ethics and propriety is not standardised across departments and will depend to a degree on the agenda of the departmental risk committee. Michael Jary told us it is unrealistic to expect that non-executive directors in government can have the same influence and power that they do in the corporate world, as their role is entirely advisory.

> "The only way you embed principles and shift culture is by constant reinforcement, a lot of talk, build-up of micro decisions on promotion, succession, appraisals, this may involve turnover, who stays and goes, a lot of those practices are not so explicit. So the Principles are fine but are not always carried into proactivity with the same vigour and practice you find elsewhere."
>
> **Michael Jary, Government Lead Non-Executive Director, 12 May 2022**

As we explored in chapter 1, the leadership model in government departments, shared between ministers and civil servants, is not found in other organisations, and we acknowledge the differences between government boards and those in the corporate world. However, departmental boards have an important role in terms of the influence they can exert, and it is clear that what they are interested in can have a significant impact on how departments are run.

> 66
> **We would like to see stronger guidance developed on the focus that departmental boards should give to ethical issues.**

We note that the 'Corporate governance in central government departments: code of good practice' states that the board and its members should support actions to ensure that officials comply with the Civil Service Code.[53] When CSPL members have spoken at public-body non-executive director induction training run by the Cabinet Office since 2021, we have conveyed that not only are non-executive directors expected to live up to the Principles of Public Life in their own behaviour, but they should also question whether the existence and application of the Principles are fully understood and actively monitored in departments. This is an important part of the value that non-executive directors can bring, as well as offering programme expertise.

We would like to see stronger guidance developed on the focus that departmental boards should give to ethical issues. We are not arguing for standardisation in how boards are run, but it is clear to us that boards should be concerned with how departments ensure that the Principles of Public Life and the Civil Service Code are understood, internalised and translated into behaviours and decisions.

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53 Corporate governance in central government departments: code of good practice, paragraph 2.8. Available at: **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/609903/PU2077_code_of_practice_2017.pdf**

This includes ensuring that civil servants are supported in providing objective and impartial advice to ministers that takes into account the ethical implications of policy proposals. Boards should not be concerned purely with compliance matters, such as managing conflicts of interest – as important as these are – but with how to influence behaviour positively so that employees will make good decisions in the public interest, work together constructively and deliver public services effectively.

In 'Upholding Standards in Public Life', we supported the recommendation of the Boardman report that the government should take a more thorough and professional approach to ethics rules and develop a compliance function across government. Compliance takes a legalistic, rules-based regulatory approach, whereas ethics has a values-based focus. However, they are certainly linked. If the government takes forward the Boardman recommendation, it should consider whether there should be a joint ethics and compliance function.[54]

> **Boards should not be concerned purely with compliance matters, such as managing conflicts of interest – as important as these are – but with how to influence behaviour positively so that employees will make good decisions in the public interest, work together constructively and deliver public services effectively.**

Oversight of arm's-length bodies

It was clear from our conversations with arm's-length bodies that there is limited input from sponsoring departments on setting expectations on the consideration they should give to embedding the Principles of Public Life within their organisations. The evidence from a meeting with chief executives and chairs was that much of the relationship between an arm's length body and the sponsoring department is about compliance, process and operational delivery. Values and behaviour are not generally a topic of conversation. Interest in standards issues therefore depends on the personal interest and focus of chief executives and chairs. This will vary, although those we spoke to clearly consider ethical conduct to be a priority for their organisation.

> "We've been speaking to the Cabinet Office, saying there are huge reputational risks to ministers if this [ethics and standards] goes wrong in arm's length bodies. I think there is a case for investing in this, saying 'what do you expect from these bodies'."
>
> **Martin Jones CBE, Chair, Association of Chief Executives and Chief Executive of the Parole Board, 5 April 2022**

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54 Committee on Standards in Public Life, Upholding Standards in Public Life (2021). Available at: **www.gov.uk/government/publications/upholding-standards-in-public-life-published-report**

> **Sponsoring departments should make clear to arm's length bodies that leaders are expected to prioritise the ethical culture of their organisations.**

Alex Chisholm, Chief Operating Officer for the Civil Service and Permanent Secretary for the Cabinet Office, told us that the government is addressing oversight of arm's length bodies through new guidance and the programme of public body reviews as announced in the Declaration on Government Reform.

We think that sponsoring departments should make clear to arm's length bodies that leaders are expected to prioritise the ethical culture of their organisations, ensuring that the Principles of Public Life are internalised and reflected in policies and practices.

Risk assessment

Good governance requires organisations to identify the ethical risks to which they are exposed. The Institute of Business Ethics advises companies to incorporate an ethics risk assessment within their ethics programme as this allows the approach to ethics and culture to be tailored to the organisation's risk profile. The results can also highlight gaps or new developments that need addressing in the organisation's ethics programme. A company we spoke to told us that ethical conduct risk is one

of the risks they track and report to the executive committee on a regular basis. They have also developed a 'doing the right thing' dashboard, which is an amalgamation of data going into ethical risk analysis and broader, people risk measurements which brings in things like the public interest – for example, the clients they choose to or choose not to work with.

In government, the HM Treasury-owned Orange Book specifies the risk categories that departments use to define risks. Risks arising from adverse events, including ethical violations, are included within 'reputational risks'.[55]

> **Boards should be curious about what is really going on in their organisation and proactive in ensuring that the culture is truly aligned with the organisation's purpose and values.**

Section 2: Assurance and monitoring

As noted earlier in this chapter, boards have a crucial role in assessing and monitoring the culture of their organisation. The Institute of Business Ethics recommends that a programme of assurance is put in place to monitor the effectiveness of the ethics programme and the extent to which the organisation lives up to its values.

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55 The HM Treasury-owned Orange Book specifies the risk categories that departments use to define risks. Risks arising from adverse events, including ethical violations are included within 'reputational risks' (annex 4, page 38). Accessed online August 2022: **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/866117/6.6266_HMT_Orange_Book_Update_v6_WEB.PDF**

The Financial Reporting Council reports that an increasing number of companies are moving towards a more sophisticated and integrated approach to reviewing corporate culture with large, publicly listed companies and those operating in the financial services sector leading the way.[56] It is important that boards do not take at face value any assurance from the executive team that denies or minimises problems. Instead, boards should be curious about what is really going on in their organisation and proactive in ensuring that the culture is truly aligned with the organisation's purpose and values.

Ensuring that the board has the data it needs, organised in a way which allows them to triangulate, is key. Often, it takes joining the dots for a range of indicators to realise that something is not quite right in an area of the business. Such indicators may include 'speak up' reports, high turnover of staff, high levels of sickness, unusual patterns of staff survey scores, and customer complaints numbers. A big challenge for the board is that often the information that would allow them to analyse issues is fragmented into different reports, with some of it only seen at a committee level. Bringing together sets of data into a single insight allows the board to assess what the data is revealing about the culture of the organisation. **Case study 15** explains how NatWest Group took this approach to their culture measurement framework and used a single culture report to set targets to improve their people and culture measures.

Benchmarking is an important part of the process as it helps to ensure that the data is understood in context. This can be external, focusing on comparisons with other organisations (for example, the Financial Services Culture Board publishes aggregate results from across all member firms in its Employee Survey)[57] or internal, highlighting differences between business units and geographical locations within an organisation. This can both highlight areas of good practice and help to identify potential areas of concern. We heard how problems tend to be reflected in low scores in a number of areas. For example, one company found that a contract with a high number of 'speak up' reports and high staff turnover was linked to a new director (since replaced) running the contract in a way that did not reflect the values of the organisation.

In the public sector, Dr Jayne Chidgey-Clark, the National Guardian for the NHS, told us how the National Guardian's Office encourages organisations to triangulate the data provided by their Freedom to Speak Up Guardian with HR data on equalities and bullying and patient safety data, and to look at the different sources of information together to assess the culture of the organisation.

A critical aspect of assessing the extent to which an organisation is living up to its values is the perception of the workforce. Staff surveys are a common and helpful source of this insight. In the Civil Service a single survey is sent to over half a million civil servants, across some 100 government departments, bodies and agencies.

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56 Financial Reporting Council, Creating Positive Culture: Opportunities and Challenges (December 2021). Available at: **www.frc.org.uk/getattachment/9fc6c466-dbd2-4326-b864-c2a1fc8dc8b6/FRC-Creating-Positive-Culture-Report_December-2021.pdf**

57 The 2021 Financial Services Culture Board's Employee Survey received over 45,000 responses from employees across 24 banks and building societies in the UK.

It includes core attitudinal questions covering perceptions and experiences of working for a Civil Service organisation, future intentions to stay or leave, awareness of the Civil Service Code, Civil Service Vision and the Civil Service Leadership Statement, experiences of discrimination, bullying and harassment, and ratings of individual subjective wellbeing.

Civil Service benchmark figures are published, as well as scores for all participating organisations. The Public Administration and Constitutional Affairs Committee (PACAC) announced an inquiry into the effectiveness of the Civil Service People Survey in July 2022. The inquiry will examine the delivery of the People Survey and how departments act on the results. It will also explore best practice in staff survey design and the application of results.[58] The inquiry was in part prompted by concerns that the People Survey results are not acted on satisfactorily by government departments.[59]

Michael Jary (Government Lead Non-Executive Director), told us that departmental boards pay close attention to what the People Survey results say about speaking up and incidents of bullying, and whether people trust their managers to do the right thing. In the Cabinet Office, where bullying, harassment and discrimination scores were higher than the Civil Service average in 2021, an independent review into respect and inclusion has been overseen by Anand Aithal (Cabinet Office Lead Non-Executive Director) and the Cabinet Office has committed to implement the report's recommendations in full.[60]

The Department of Health and Social Care told us that they produce a quarterly scorecard on culture and 'safe to challenge' activity, which is discussed at the People Board and shared on the departmental intranet. The scorecard includes a range of data and insights which enables senior leaders to monitor and review progress against plans on 'safe to challenge' activity. This includes: People Survey and pulse survey results, insights from Culture and Engagement Champions, data from their Speak Up Adviser service, communications and events, grievances, and whistleblowing cases.

58 Public Administration and Constitutional Affairs Committee, MPs seek evidence on effectiveness of Civil Service People Survey (13 July 2022). Accessed online August 2022: **committees.parliament.uk/ work/6820/civil-service-people-survey/news/172042/mps-seek-evidence-on-effectiveness-of-civil-service-people-survey/**

59 Civil Service World, MoJ staff urged to boycott 2021 Civil Service People Survey (1 October 2021). Accessed online August 2022: **www.civilserviceworld.com/professions/article/moj-staff-urged-to-boycott-2021-civil-service-people-survey**

60 Civil Service World, 'Damning' review of Cabinet Office calls for action on discrimination (23 August 2022). Accessed August 2022: **www.civilserviceworld.com/professions/article/cabinet-office-discrimination-review-bullying-harassment-stronger-leadership-perm-sec-down**

Questions for leaders

➤ Is your board clear on their role in relation to the ethical culture of the organisation?

➤ Does your risk assessment process identify and monitor the key ethical risks for your organisation?

➤ Does your board have access to the range of data needed to assess and monitor the ethical health of your organisation and to identify potential areas of concern?

➤ How do you ensure that your organisation takes necessary action where the data suggests that changes are needed?

➤ When things have gone wrong in your organisation, could the signs have been spotted and addressed earlier?

Chapter 6: Recruitment and performance management

Embedding ethical values within the recruitment, selection and performance management policies of an organisation sets clear expectations about behavioural norms and the conduct that will and will not be rewarded.

Section 1: Recruitment and selection

Many of the leaders we spoke to, in a range of organisations, were clear that assessing values was an important aspect of the recruitment process. Organisations described the variety of methods they use for integrating values into recruitment and selection processes. **Case study 16** explains how Standard Chartered uses a values-based assessment to select candidates whose values align with those of the Bank, and describes the positive effect on staff retention and staff survey engagement scores.

The NSPCC's trained values-based interviewers use a bank of questions to probe each of the charity's values when recruiting for paid employees. The charity also uses values-based interviewing to select trustees, who are asked questions that are revealing of values as well as competence. In the fundraising context, they use 'best endeavours' to ensure people associated with the NSPCC are familiar with what the charity stands for. Sir Peter Wanless, Chief Executive of NSPCC, told us how values-based questions have swung decisions between candidates, sometimes in unlikely and unexpected ways. **Case study 17** illustrates how the Office for Environmental Protection used a staff engagement exercise that focused on behaviours to recruit their new executive team.

As well as bringing in people who are already aligned with the values of the organisation, including values within the recruitment process sets expectations from the start. People coming into these organisations receive the clear message that their behaviour and decision-making should be in keeping with the ethical values of the organisation and that how they go about their role will be considered central to the delivery of their objectives. This is particularly important when appointing leaders who have come from other sectors and may be used to a different operating culture. It is also important when appointing leaders to public bodies and departments who have a greater degree of autonomy in shaping the culture of their organisations. Once in post, it is critical that ethical values are a clear feature of the induction programme and ongoing training, as we explored in chapter 4.

Michael Jary, Government Lead Non-Executive Director, told us that for appointment panels for non-executive directors, it was standard practice to ask questions about how people would deal with issues with an ethical dimension, to understand whether they had thought through the problem from a principled point of view. Alex Chisholm, Chief Operating Officer for the Civil Service and Permanent Secretary for the Cabinet Office, explained that in interviews for Civil Service roles, people are asked about issues to test their judgement and how they think about such issues, which explores, indirectly, the way they value things.

> "Government non-executive directors have been trying to say this [ethical culture] is a strategic issue. If you can't create the right working environment, train and recruit the right people, then it's a problem. That's where culture comes in. It's not a tick box exercise. If you want to do X, the people are really important and how they behave. There is a war for talent, we need to hire and retain – or fail."
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> **Anand Aithal, Lead Non-Executive Director for the Cabinet Office, 6 June 2022**

Civil Service Commissioners currently chair panels for the appointment of civil servants at SCS2 (director level) and above.[61] Executive search companies are used by departments to identify candidates who may wish to apply for these positions. The First Civil Service Commissioner, Rt Hon Baroness Gisela Stuart, told us that alignment with values in the Civil Service Code is not built into the executive search briefs that government departments prepare for senior roles, although values may be revealed through the staff engagement exercise and psychological assessment (a feature of the recruitment process for all positions at SCS2 level and above).

> "
> **As well as bringing in people who are already aligned with the values of the organisation, including values within the recruitment process sets expectations from the start.**

> "I find the staff assessment, engagement exercises and psychological assessments are really interesting in terms of people's values. When you get an application painting one picture and then the staff engagement feedback, you go into the interview very curious – which one will I get?"
>
> **Rt Hon Baroness Gisela Stuart, First Civil Service Commissioner, 11 July 2022**

At the short-list stage, the panel will consider potential conflicts of interest and may ask the executive search company to ask further questions. Baroness Stuart told us that Commissioners specifically ask candidates about issues relating to diversity, but not specifically about the ethical values in the Civil Service Code. When the Civil Service Commission signs off appointments, it writes to departments to advise that the appointees should be made familiar with the values of the Civil Service.

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61 As a result of the policy to advertise all Senior Civil Service jobs externally, the Civil Service Commission now has oversight of the recruitment of all senior civil servants and is considering how it will regulate these appointments.

While it would be naive to suggest it to be true in every case, many people who choose to work in the public sector are motivated by public service. This belief in the primacy of acting in the public interest can be harnessed by leaders to build ethical organisations.

The Principles of Public Life support the delivery of public services. We would encourage public sector organisations to consider how they can best incorporate within their recruitment and selection processes an assessment of how the personal values of candidates align with the Principles of Public Life, particularly for senior leadership positions.

For senior civil servants, government departments should ensure that values are considered at the executive search stage. Interviews should test how candidates would handle situations where the Principles of Public Life are under stress and how they would demonstrate to their workforce that the values matter to them.

> **"**
> **We would encourage public sector organisations to consider how they can best incorporate within their recruitment and selection processes an assessment of how the personal values of candidates align with the Principles of Public Life, particularly for senior leadership positions.**

Section 2: Performance management

It is now standard practice in the private and public sector to look not only at the delivery of objectives, but also at how they have been met. If people who behave in a way that is incompatible with the values of the organisation are rewarded for getting the job done at any cost, this suggests high standards are not really that important after all, despite any words to the contrary.

We heard how some companies approach this in the private sector. Serco has a 'values gate' for their bonus scheme. This means that if a leader had seriously breached the organisation's values, they would be automatically precluded from a bonus at the end of the year. Another company we spoke to told us they have a dashboard approach to performance management for their partners with a qualitative piece to focus on behaviours, which also impacts on partners' profit share. Ethics and compliance also play into the consideration of promotion decisions, with partners who have performed well commercially having been held back a year due to ethical failings.

Tellingly, the chair of a public body told us that their organisation had just awarded the bonuses for their senior staff and said it was possible to map, almost perfectly, behaviour to the size of the bonus, which meant that one or two really effective senior people were awarded very low bonuses because their behaviour fell short of the standards expected by the organisation.

In the Civil Service, performance is managed through assessment against business objectives set at the start of the reporting year. These objectives set out 'what' civil servants need to achieve and 'how' they are expected to work, referring to the Civil Service Behaviours element of the Success Profiles.[62] All line managers are required to have a leadership and line management objective. Published guidance for the Senior Civil Service includes the 'demonstration of Civil Service values' within the criteria that managers should consider when making a judgement over whether objectives have been met, not met or exceeded. There is an emphasis on the importance of leadership and seeking feedback from stakeholders to inform performance assessment. In addition, the Civil Service Diversity and Inclusion Strategy 2022 to 2025, which was published in February 2022, requires all members of the Senior Civil Service to have a diversity and inclusion-related objective as part of their management and leadership responsibilities.[63]

The government is currently implementing reforms to the Senior Civil Service, including the introduction of capability-based pay and assessments of leadership capability.[64]

How people get things done is important as well as getting them done

Attitude and behaviour are part of performance – you can and should manage them.

As communicators how we present ourselves, handle situations and market our profession are part of getting the job done well. You need to address attitude and behavioural problems even if 'technical' performance or delivery is good. This isn't about deeming a specific leadership style better or worse than any other, but about demonstrating both the corporate and organisational behavioural expectations. Corporate expectations are set out in frameworks like the Leadership Model. They also form part of our Civil Service values set out in the Civil Service Code. Departments should set out clearly any organisational expectations so that objectives can be linked to the business aims. In both cases job holders and managers need to be clear about what is expected of them and how this will be measured.

Extract from Annex C – Good Practice Guide: Improving Performance, in 'Performance Management Arrangements for the Senior Civil Service' (April 2022)

62 HM Government, Success Profiles – Civil Service Behaviours. Accessed online August 2022: **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/717275/CS_Behaviours_2018.pdf**

63 Civil Service HR, Performance Management Arrangements for the Senior Civil Service (April 2022). Accessed online August 2022: **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1080684/SCS-PM-UpdatedGuidance-APRIL-2022-V.2.pdf**

64 Declaration on Government Reform (2021). Available at: **www.gov.uk/government/publications/declaration-on-government-reform**

Awards and recognition

Some organisations have awards to promote and inspire people to exhibit ethical values in the course of carrying out their roles. Awards and ceremonies can positively reinforce the importance of the behaviours people exhibit at work and help to keep values alive in internal communications. The Civil Service Awards align with the Civil Service vision for 'A Modern Civil Service that is more Skilled, Innovative and Ambitious'. In addition to the specific category criteria, promoting or demonstrating the Civil Service values is one of the core criteria for each award category.[65]

Questions for leaders

➤ Does your recruitment and selection process place sufficient weight on the extent to which candidates' personal values align with the Principles of Public Life?

➤ How does your organisation's selection process test the ability of candidates to exercise sound judgement when faced with ethical dilemmas?

➤ Do the performance management processes of your organisation give sufficient weight to how individuals deliver on their objectives, as well as the outcomes that are achieved?

"Our annual Pulse Awards mirror our values. We typically get over 700 nominations from across the organisation giving out some 90 divisional and 45 global awards annually. This is not about being the best salesman but about real people who have lived the values."

Robert Smith, Director, Business Compliance and Ethics, Serco Group plc, 16 May 2022

"We have value stars which we can award, one to five value stars for actions, activities and behaviours which are consistent with our values. We also have an annual people award for employees and volunteers, and there's an award for each of the five values. This year we have over 300 nominations, for people who have achieved things in relation to these values."

Sir Peter Wanless, Chief Executive, NSPCC, 17 May 2022

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65 Civil Service Awards 2022, Categories. Available at: **www.civilserviceawards.com/categories**

Conclusion

Focusing on how to ensure that ethical values are woven into every aspect of how an organisation operates is critical to good leadership. Yet, disappointingly, it often takes a crisis for senior leaders to prioritise action in this area.

There are clear advantages for an organisation if employees at all levels are ethically aware and feel comfortable speaking up if something doesn't feel right. The organisation benefits from an early warning system about ethical hotspots that could lead to scandal and a negative impact on public trust. It also builds an engaged and productive workforce who feel empowered by its leaders. This 'ethical fluency' cannot be achieved solely by rules and regulations, as important as these are in setting clear standards. If people are given the space and encouragement to become familiar with the fundamental values underpinning the rules, this will equip employees to act in line with the spirit and the letter. An approach to high standards which pays attention to values also overcomes the limitations of rules, since it is not possible to codify every element of the workplace or predict future developments where ethical issues may arise.

In this report we have distilled the insight shared with us by leaders in a range of organisations in the public, private and third sectors. We have featured real-life examples of how organisations have sought to embed ethical values in their policies and practices. These include examples of creating safe spaces for discussion of ethical dilemmas, structures and policies to support a 'speak up' culture, frameworks to support good decision-making, making values integral to recruitment processes, and bringing together data to measure culture and act on the findings.

We do not hold up these case studies as exemplars to adopt in their entirety, but as examples of how organisations have sought to integrate ethical values into how they operate. We hope they will inspire leaders in the public sector to think about what more they can do to embed a values ethos in their own organisations. To help leaders with this process, we have identified 20 questions for leaders to ask themselves under chapters 2 to 6 of this report. We have also made comments and suggestions throughout the report which we hope will give food for thought.

Our strong view is that the ethical health of an organisation cannot be left to chance. Leaders must ensure that the Principles of Public Life are integral to how public sector organisations operate and how the people in them make decisions and treat each other. Nor can leaders afford to become complacent – cultures do not stand still but evolve with changes to staff and working environments. Recent, well-publicised examples have shown that things can go badly wrong in public sector organisations if ethical health is not addressed. Shaping expectations and understanding of high ethical standards requires constant attention and reinforcement.

Appendix 1: Case studies

Case study 1: The Framework for Ethical Leadership in Education

The Ethical Leadership Framework is a set of values and virtues for the school and college context. It has two parts: it adapts the descriptors of the Seven Principles of Public Life to explain what they mean in the context of educational leadership, and it sets out a set of personal characteristics or virtues expected of leaders.

The National Governance Association has supported school and college leaders to use the framework by recording and sharing how the sector used the framework through their pathway project and by making available on their website an ethical audit, board activities and discussion topics.[66]

Example of applying the Ethical Leadership Framework in practice

School behaviour leads come together in regional 'sharing panels' to consider the future of children who are not coping in their school for behavioural reasons.

Karen Cornell, Assistant Head Teacher and Behaviour Lead, used the framework to reframe the approach to this challenge in Warwickshire.

Traditionally, teachers would try to avoid accepting a child so they didn't need to answer to their headteacher or governor or other parents for bringing a perceived 'naughty child' to their school. Karen and her fellow behaviour leads felt that this approach wasn't good enough and a change was needed.

Karen realised that there was a need to build trust in the group, to provide mutual support and to set aside any perception that the schools were in competition with each other. She used the Leadership Framework to help colleagues to reflect on the Nolan Principles, to trust each other, and to work together in the best interests of the excluded child.

"The framework gave everything we needed to say to colleagues: this is how we need to conduct ourselves. We've changed our meetings, no longer do we place the children, people say, 'can I have that child please, I can offer them 'this' because I've got a great inclusion unit', and so it really has revolutionised and given us the confidence to be the professionals we are."

Karen Cornell, Assistant Head Teacher, The Coleshill School, Warwickshire, 5 February 2021[67]

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66 Paving the way for Ethical Leadership in Education (2021). Available at: **www.nga.org.uk/getmedia/ b66f7207-0d86-484f-9589-80b5090ce9e6/Ethical-Leadership-Report-2021.pdf**

67 National Governance Association, Governing Chatters podcast episode 9: Ethical Leadership and how it works. Available at: **www.nga.org.uk/News/Podcasts.aspx**

Case study 2: Leading with integrity and exploring values-based behaviour – Department for Environment, Food and Rural Affairs (Defra)

"I place a great deal of emphasis in Defra on leading with integrity and understanding and living by the Civil Service Code. To do that I seek to create safe spaces to explore what the Code means and values-based behaviour.

In recent times we have had sessions with directors and director generals as a group to explore these issues, and encouraged them to hold similar fora with their teams. For my direct executive team we hold a private check-in session each week before our formal meeting. It is a place where we share how we are and provides a safe space to explore dilemmas.

We have done some work with the Westminster Abbey Institute on connecting with our Civil Service values and had a session recently for senior Defra leaders. We were led at the session by Dr Claire Foster-Gilbert, Director of the Westminster Abbey Institute, and Rabbi Shoshana Boyd Gelfand, Director of Leadership and Learning at the Pears Foundation. We considered our personal values and how we apply them in what we do every day from a range of perspectives. At the end of the session, colleagues felt reflective and motivated to have further discussions.

Following on from this we are planning a series of speaker events open to all at Defra on leading with integrity, to hear from a range of public and private sector leaders on how they lead in a way consistent with their values and the codes of their professions, and how they deal with challenges in this space."

Tamara Finkelstein, Permanent Secretary, Defra, 6 September 2022

Case study 3: Aligning policies with values – Government Office for Science

This case study illustrates how the Government Office for Science and the Government Chief Scientific Adviser (GCSA) put into practice the principle of 'openness' during the COVID-19 pandemic.

In March 2020, the GCSA made the strategic decision to make publicly available in as timely a manner as possible, the scientific evidence that was either produced, considered by or available to the Scientific Advisory Group for Emergencies (SAGE), along with the group's meeting minutes containing consensus advice on the emergency. Since then, the SAGE secretariat has released over 1,200 papers and minutes from the 105 SAGE meetings on GOV.UK. This transparency has:

- connected the global scientific community with current research

- allowed the public to understand and question how the government viewed and used the scientific evidence to make decisions affecting them

- allowed other governments to use the evidence

- helped improve trust in and understanding of science, as well as SAGE's role in the emergency response

- set a precedent for making scientific evidence publicly available, thereby encouraging others to do so.

The GCSA and senior leaders regularly communicated their expectations for transparency both within the organisation and publicly in Select Committee appearances. We set up a dedicated team to manage a streamlined process for releasing a high volume of papers. We gave the team licence to champion transparency, and the GCSA remained engaged and supportive throughout the process. As a result, the average time from meeting to release of a paper was reduced from 149 days in 2020 to 9 days in 2022.

We continue to build a culture of transparency within the Government Office for Science. We have created comprehensive publishing guidance for future SAGE activations. Additionally, we have embedded transparency expectations in our objective to improve the government's science system.

This endeavour throughout the COVID-19 response involved the heroic efforts, collaboration, and co-ordination of many government officials and scientists. We are extremely grateful to the goodwill of all involved. The Government Office for Science has built trusting and enduring relationships across government and beyond. We believe this will be extremely beneficial for future collaborations.

The Government Office for Science, 30 August 2022

Case study 4: Leadership within professions – Institute of Chartered Accountants of Scotland (ICAS)

ICAS encourages all chartered accountants to take personal responsibility for practising the ethical principles of their profession in the organisation within which they work.

ICAS has produced a series of publications, guidance and resources under their 'The Power of One' initiative to support members. This includes papers on personal responsibility and ethical leadership, moral courage, and the importance of listening.[68]

The Power of One recognises that, no matter their career stage or level of seniority, through their ethical behaviour, every chartered accountant can be a force for good in the organisations in which they work. They can also influence those around them, and thereby help shape the culture and values of their organisation.

"The Power of One reminds people that all individuals have power. We have been pushing this message and we want our members to be advocates within their organisations. The title resonates with our membership – they are all aware of it."

James Barbour CA, Director, Policy Leadership, (ICAS), 7 April 2022

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68 ICAS, Ethics and The Power of One. Accessed online August 2022: **www.icas.com/professional-resources/ethics/resources-and-support/finance-plus-leadership-ethics-and-the-power-of-one**

Case study 5: Network of 'speak up' officers – NHS National Guardian's Office and Freedom to Speak Up Guardians

Every NHS provider in England is expected to adopt the national Freedom to Speak Up Policy, including a Freedom to Speak Up Guardian to give independent support and advice to workers who want to speak up about anything impacting on their ability to do their job – this could be a concern or an idea for improvement. There are over 800 Freedom to Speak Up guardians in primary and secondary care, independent sector organisations, hospices and national bodies.

The Guardian is recruited by their organisation and follows the universal job description drawn up by the National Guardian's Office.[69] There are two elements to the role. One is reactive – to support people who speak up. The second is proactive – to support their organisation to help remove the barriers which can stop people from speaking up.

The NGO leads and supports the network and delivers training to Freedom to Speak Up Guardians. The Guardians also have access to local and national networks for peer support. The NGO shares learning through thematic reviews and by publishing real-life case studies.[70] The NGO also has a leadership role in promoting the importance of speaking up, holding the system to account and sharing best practice within healthcare and across the public and private sectors.

Could a similar model be introduced in other sectors?

"I'd say you need to first look at what is and isn't working within your organisation. Do a deep dive with your staff. The next step would be to look at what will work in your organisation. I wouldn't advocate for just putting a guardian everywhere, it needs leadership buy-in, and time and resources to do the job. And it's not just about having a guardian, it's about having a wider 'speak up' culture, are people comfortable to speak to line managers, to the Chief Executive etc. But if you've found you need an extra route, then I think our universal job description would be applicable everywhere."

Dr Jayne Chidgey-Clark, National Guardian for the NHS, 28 April 2022

The Guardians have a crucial role to play, but their success is dependent on the support of their senior leaders. Guardians should have ring-fenced time for the reactive and proactive parts of their Guardian role and direct access to their Chief Executive and the senior lead and non-executive director with responsibility for the speak up culture in the organisation.

To be effective, the guardian model must be supported by leadership who value the role and are committed to listening to their workforce and taking action as a result.

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69 National Guardian, Universal Job Description. Accessed online August 2022:
    nationalguardian.org.uk/for-guardians/job-description/

70 National Guardian, Case Studies. Accessed online August 2022:
    nationalguardian.org.uk/learning-resources/case-studies/

Case study 6: Retaliation monitoring – professional services company

Retaliation can come in many forms, from being excluded from meetings or team social activities to receiving poor performance reports (without justification) or even being looked over for promotion. Fear of retaliation is often cited as a barrier to speaking up and is a point raised by many of those who contact the Company's Ethics team to discuss reporting a concern about wrongdoing. Everyone who is the subject of an ethics complaint is reminded that retaliation is not tolerated and that they should be very careful to ensure they do nothing that could be, or perceived to be, retaliatory behaviour.

In 2020, the Company introduced a new process to monitor those that report concerns, to ask whether they have experienced any negative repercussions. In limited circumstances the team may decide not to monitor – for example if the reporter is no longer with the company.

Once a case has been closed, regardless of whether the matter was substantiated or not, the Ethics team will contact the reporter and any key witnesses typically on three separate occasions – one month, three months and six months – to check their experiences following the case conclusion. Depending on the circumstances, monitoring may be extended further and the frequency of contact modified. Additionally, all those being monitored are made aware that even after the proactive contact by the Ethics team has ceased, they remain available to be consulted should any subsequent concerns or questions materialise.

The practice is always welcomed by reporters. The very fact that this process is in place is a clear indication and message to all personnel that 'zero tolerance to retaliation' goes beyond mere words. Since the process was implemented, the monitoring has identified one substantiated incident of retaliation. In that instance, the reporter felt sufficiently comfortable to tell the Ethics team about an incident of retaliatory behaviour which was then dealt with by way of a disciplinary process and a material sanction. This example has been widely shared on a no-names basis, the aim being to send a powerful message across the organisation that retaliation will not be tolerated.

The Ethics team believes that the retaliation monitoring mechanism increases confidence in the 'speak up' process. When a reporter contacts the Ethics team, the investigation process and the retaliation monitoring process are explained, and it is evident that this increased understanding gives more confidence to reporters: anonymous reporters go on the record, and consequently matters are more likely to progress. Knowledge of retaliation monitoring is also checked through an annual Ethics Survey.

A professional services company, 5 October 2022

Case study 7: Speak Up Network – Wellcome Trust

The Wellcome Trust has set up a network for charities to share best practice on building a 'speak up' culture.

Convinced of the value of joining forces with other charities to drive progress across the sector, Fraser Simpson, Wellcome's Associate General Counsel, set up a network of charities that are enthusiastic about catalysing 'speak up' cultures in their organisations and across the sector.[71]

The network, run by Fraser, is framed as being led for charities by charities, and meets quarterly online. The network comprises staff members from nearly 40 charities, who meet to share practical learning and experiences of establishing a 'speak up' programme and culture. The agenda is shaped by the 'curriculum' behind the Protect benchmark tool and external experts are invited to talk to the network about best practice in relation to key activities.[72]

It is free to join and the external experts who present do so for no fee. Examples of recent network sessions include:

- the importance of speaking up in relation to good culture, good governance and good compliance – led by the Head of Guidance and Practice at the Charity Commission for England and Wales

- an introduction to speaking up: what it is and why it is important, the relationship between speaking up and grievances, how speaking up supports safeguarding, the particular challenges for the charity sector, Protect's benchmark tool and findings of Protect's Time to Transform charity sector campaign, as well as tips for a healthy 'speak up' culture – led by the Chief Executive of Protect

- the importance of psychological safety and how this can contribute to a resilient organisation – led by the Centre for Organisational Resilience at Lincoln University.

"It is great to see so many charities enthused and learning together about catalysing a speak up culture. This sort of network could work really well in other sectors, in particular if it can be properly resourced, as it is challenging to manage in one person's spare time and with no budget."

Fraser Simpson, Associate General Counsel, Ethics, Governance and Compliance, Wellcome Trust, 26 July 2022

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71 Charity Sector Speak Up Network. Available at: **charityspeakup.com/**

72 Protect, Our Whistleblowing Benchmark. Accessed online August 2022:
    protect-advice.org.uk/our-benchmark/

Case study 8: Targeted training for 'high risk' roles – Cabinet Office

Permanent secretaries' offices and ministers' private offices occupy highly responsible and high-profile roles in their respective departments. It is therefore crucial that they are able to make judgements on propriety and ethics issues and know when to escalate them to the permanent secretary, who is accountable for decisions on propriety and ethics within departments. Equally important is that these offices understand when to seek advice from the Propriety and Ethics team (PET).

PET began an annual cycle of training for departmental private offices and permanent secretaries' offices in October 2020. The training covers the foundations of propriety and ethics, the Civil Service Code, the Ministerial Code and the Special Adviser Code of Conduct. It includes various scenarios to help private secretaries think through how they might approach different issues, and allows opportunity for discussion.

PET runs and provides through the Principal Private Secretary Network and the Heads of Permanent Secretaries' Office Network, bitesize information and updates to ensure that these staff are given the support they need in dealing with issues of propriety and ethics. PET runs a drop-in session once every six weeks to assist with any questions on training and ensure departments are provided with adequate support.

In 2021, PET and the Government Skills and Curriculum Unit delivered a private office conference, which included some sessions that fell within the propriety and ethics area. A second conference held this year had a leadership focus. The plan is for the conference to be an annual event.

In the last quarter of 2021, an inaugural private office basecamp was run by the Private Office Professionals Network for new private office staff across the Civil Service. This marked the start of a structured curriculum. The pilot basecamp included sessions on propriety and ethics and other broadly related topics, such as collective agreement and managing public money. This was a pilot run for what will be a biannual induction for new private office members.

Propriety and Ethics Team, Cabinet Office, 5 October 2022

Case study 9: Cascaded ethics training – Serco Group plc

Serco's 2014 corporate crisis drove the development of a new approach to ethics in the company, centred around a refreshed set of values.

Serco has run innovative training sessions at their annual leadership conferences which were then handed over to frontline leaders to deliver, empowering middle managers to create an ethical working culture in their teams.

"While the group Chief Executive is the leader and you need the tone to be set from the top, if you take one of our hospital contracts, the leaders that influence our workforce most are their managers plus their managers' managers. Clearly you can't invite everyone to a conference so we were only getting to the higher level of leaders. For me it is really important that frontline leaders equally understand the messaging – and that's why we cascaded the training in this way."

Robert Smith, Director, Business Compliance and Ethics, Serco Group plc, 16 May 2022

At their 2020 leadership conference, Serco ran a session designed to remind leaders of the need to create environments conducive to sustaining and building trust in Serco by acting ethically. They created a video of a fictitious news programme, with four main protagonists setting the scene where there had been misreporting in a contract. Delegates had to think about each of the characters – all of whom had done things wrong – and rank which was the worst. There was no right answer – the scenarios were designed to stimulate debate. This was followed by another video of a fictitious news programme where everything had been done appropriately, with the types of processes that were in place to ensure that the right things were done.

Those leaders attending the leadership conference were then encouraged to complete a similar training session with their management teams using a facilitators' pack that had been provided for local application.

At the 2021 leadership conference, delegates were challenged to answer a set of questions within their teams and to report back. These questions centred around how to mitigate compliance risk and sustain and build trust in Serco through adhering to the organisation's values. They received over 700 responses across the organisation and this fed into recommendations to the board for improvements.

This approach is echoed in other aspects of how Serco approaches ethics and compliance. For example, Serco's new Code of Conduct, which has been produced by the centre but the roll-out is the responsibility of the various divisions within the organisation.

Case study 10: Role of police ethics committees in supporting decision-makers

The Devon and Cornwall Police Ethics Committee has been operational for six years and during this time has provided advice on over 100 ethical dilemmas.

The cases discussed in the Committee support decision-makers to manage some of the most complex and ethically challenging situations that police officers face and support wider organisational learning and improvement.

One such example involved discussion of the appropriate response when police officers are called to deal with incidents of self-harm in a home address.

Police officers are duty-bound to prevent people causing harm to themselves. However, where the harming isn't life-threatening, restraining people from harming themselves is legally very complex and could amount to the tort of False Imprisonment. In these circumstances, police officers frequently rely on 'duress of circumstance', the common law defence to commit a crime, which is a lesser evil to prevent a greater evil. Police officers dealing with these cases are in a very difficult position, faced with conflicting obligations.

The Ethics Committee debated the complex issues raised by these cases. Officers did not have access to people's medical records and were not medically qualified to make decisions around mental health incidents.

The Ethics Committee discussion assisted officers in Devon and Cornwall Police who were considering how best to develop the Force's response to mental health policing, and supported proposals for a range of actions that have since been implemented.

These include:

- guidance to help officers and staff determine how to respond when dealing with people in mental health crisis

- refreshed mental health training to officers and staff

- a dedicated mental health line set up by each of the Mental Health Trusts in the Devon and Cornwall area, allowing officers to speak to professionals who have access to medical records

- appointment of enhanced crisis control officers in the Contact and Resolution Command (dealing with 999 and 101 call handling).

Mike Stamp, Director of Legal, Reputation and Risk, and Chair of Devon and Cornwall Police Ethics Committee, 13 September 2022

Case study 11: Exchange of ethical dilemmas between police and medical ethics committees

Avon and Somerset Police Ethics Committee is chaired by Vassilios Papalois, Professor of Transplantation Surgery at Imperial College and former Chair of the Imperial College Healthcare NHS Trust Clinical Ethics Committee. This meant that Avon and Somerset were able to exchange appropriate cases with the Imperial College NHS Clinical Ethics Committee.

Exchanging dilemmas has been valuable where there is an overlap in the work of the police and the medical profession.

One example is a referral initially in 2015 to the ethics committee of the Avon and Somerset Constabulary on how best to protect girls born in the UK to women who have had female genital mutilation (FGM). The referring officer was subsequently invited to present the case to the medical committee. It was a complex scenario, raising complex issues such as the protection of individuals, confidentiality, family dynamics, community issues and how far the NHS and police can intervene in such cases.

A local risk assessment tool for use by all agencies likely to encounter FGM risk was subsequently created. This considers a host of likely risk factors and not just Maternal FGM, which has helped relieve tensions resulting from some communities feeling unfairly and disproportionately targeted by the statutory response to FGM risk. At national level, the NHS introduced the FGM Indication system (FGM-IS) which is a record that accompanies girls where there is a family history of FGM and other relevant risk factors.

"The issues were debated very thoroughly in both forums. The discussion was of a very high quality. Many different approaches were discussed but the outcome was gold for taking issues forward."

Professor Vassilios Papalois, Chair, Avon and Somerset Police Ethics Committee, 29 June 2022

Sharing dilemmas has also been used successfully in areas that were not obviously connected; for example, the NHS brought an ethical dilemma relating to transplantation to the police committee and the medical committee considered issues relating to undercover policing. This sharing has helped to develop the thinking of both committees around ethics and it has provided the referring officers with a broader range of considerations to reflect on.

"Sharing ethical dilemmas can definitely be replicated in other parts of the public sector. There is a real richness and depth of understanding and knowledge that can be gained through seeing and engaging with ethical challenges faced in other areas of public service. Through working together in this way, we can better explain why people make decisions and help to develop a common ethical culture."

Professor Allyson MacVean, Vice Chair, Avon and Somerset Police Ethics Committee, 29 June 2022

Case study 12: Ethics counsellor – GCHQ

GCHQ is an intelligence, security and cyber agency which helps keep the country safe from terrorists, hostile states and criminals operating online and in the real world. Its people can be presented with ethical challenges which go beyond the questions of whether an action is lawful.

GCHQ first appointed an Ethics Counsellor in 2014 to provide support for staff and to encourage a more open approach to discussing ethical concerns. The current Counsellor is an experienced senior officer, with a background in intelligence work and policy making.

GCHQ's ethical framework is based on its values, especially integrity, and different perspectives are seen as vital to sound decision making. The Ethics Counsellor is regularly approached to work alongside teams and leaders, helping identify emerging ethical risks and advise on handling contentious ethical issues.

GCHQ strongly encourages staff to raise ethical issues within their teams. However, it also provides a confidential outlet via the Ethics Counsellor. Concerns may relate to operational work, such as how the organisation conducts its mission to counter terrorism, serious crime and child sexual exploitation. Other concerns are around aspects of National Security policy or the ways in which staff live up to GCHQ's values.

Interventions on individual cases will vary, depending on the circumstances. Often the Ethics Counsellor can seek information or clarify context to resolve the matter. On other occasions, they can challenge decision makers or introduce a different perspective on behalf of their colleague. In many circumstances, the real benefit is giving people a chance to talk through personal ethical challenges and helping them articulate their thoughts to work towards resolution. Although not its primary purpose, having an independent, confidential outlet for raising concerns is also an important factor in managing the risk of unauthorised disclosure by disaffected members of the community.

Importantly, the Ethics Counsellor is independent of the organisation's corporate policy functions. Nevertheless, to be successful, the role needs, and receives, full commitment from the highest levels of leadership. It can be tasked to provide a challenge function in areas of perceived high risk. In the recent past this has included work on a range of corporate initiatives, from HR policies to technology innovation. An annual round-up is prepared for the GCHQ Board, identifying trends and emerging risks and making recommendations for growing the ethical health of the organisation.

The responsibility for ethics does not sit solely with the Ethics Counsellor. Everyone is expected to ensure their actions are ethically sound and leaders are expected to create an open and supportive culture. Nevertheless, this role is a fundamental part of upholding GCHQ's values in a classified and often highly pressurised working environment.

GCHQ, 25 August 2022

Case study 13: Ethical Decision-Making Model – Home Office

The Ethical Decision-Making Model introduces a step in the decision-making process that prompts decision-makers to consider any issues that cause 'decision discomfort'.[73] Its purpose is to encourage critical thinking and where appropriate to either support border and immigration staff to exercise the discretion they already have or to escalate a case where they feel they cannot satisfactorily resolve the issue within the current legal and policy framework.

Example of the EDM in action

A national of an EU country sought entry to the UK as a returning resident but did not hold the necessary immigration status. They explained that they considered themselves to be British, but it was clear from the information provided that they were not entitled to British Citizenship. The Border Force officer noted that the passenger's passport confirmed that they had been born in the UK. The officer established that the passenger had lived in the UK for their entire life and had no significant ties to their country of nationality or any other country.

The officer assessed the information gathered so far. The starting point for an EU national claiming to be resident in the UK, but without holding the required immigration status or visa, is refusal. However, the officer applied the principles of the Ethical Decision-Making Model to consider whether refusal of entry, while technically correct, was an appropriate outcome in this scenario and the 'right' thing to do.

Given the passenger's specific circumstances, the officer was fully satisfied that any late application they made for settled status would be successful. For that reason, the officer granted the passenger three months' leave outside the rules on the understanding that they seek to regularise their stay in the UK by applying for EU Settlement Scheme status as soon as possible.

"In her Windrush Lessons Learned Review, Wendy Williams, found that the Home Office took a very rules-based approach to decisions that didn't always reflect the complexity of the case and as a result people were not always treated fairly. We don't want to introduce more tick boxes on a checklist, this time labelled 'ethics'. The EDM is more than that, it is a signal of cultural change; that alongside their duty to follow the rules our people have 'permission' to consider the consequences of their decisions and flag those, where they feel 'discomfort'. That change will take time, we will have to continue to demonstrate that the 'permission' exists, but we have begun a programme of awareness raising across the department and I'm pleased that we can illustrate the impact that it is having."

Abi Tierney, Home Office Ethics Adviser, 20 May 2022

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73 The Ethical Decision-Making Model. Accessed online August 2022: **assets.publishing.service.gov.uk/ government/uploads/system/uploads/attachment_data/file/1032399/The_Ethical_Decision-Making_ Model.pdf**

Case study 14: Sensitive Decision-making Framework – NSPCC

The NSPCC has developed a framework to support its employees to make difficult and sensitive decisions about celebrity endorsements and corporate donations that are consistent with the values of the charity.

In 2019, Munroe Bergdorf announced that she was Childline's first LGBT+ campaigner. Ms Bergdorf was removed from the campaign days after the announcement following protests, claims and counter-claims. The Chief Executive gave Ms Bergdorf a full and frank apology for the way the charity abruptly ended the relationship with her, but confusion and upset on all sides demonstrated that the processes and procedures for approving celebrity endorsements were not understood or being applied consistently at all levels.

The NSPCC did not want to require trustee approval for all future celebrity relationships so worked hard to build a framework that would enable decisions to be taken in confidence at lower levels of the organisation. The framework is formed of red lines and red flags.

There is a very short list of absolute red lines: for example, the NSPCC will not work with individuals that have committed a crime against a child, or appeared in pornography, or done something egregious against the NSPCC's values and not apologised. There is a longer list of red flags; which must be considered explicitly and proportionately to the role under consideration. Input is sought, where appropriate, from young people and from lived experience groups who may have a perspective. Where uncertainty remains, a case can be escalated to an experienced committee of staff, the Chief Executive, and in extreme circumstances onwards to a sub-committee of the board.

The framework was publicised through an awareness raising exercise across the organisation, with an intensive familiarisation process for people who work on celebrity engagement, appointments and corporate partnerships. Over time, the expert committee have become increasingly confident about their decisions, as they have become increasingly familiar with the red flags and their relationship with what the NSPCC stands for.

"Individuals making these sensitive judgments are equipped to do so because they are working within a frame of reference. They are empowered to make decisions, whilst assessing risk in a focused and proportionate way, which means that not every decision needs to go to the board… It's about applying the NSPCC values to our charitable purpose – to prevent cruelty to children. We are supported in doing this by the framework we put in place."

Sir Peter Wanless, Chief Executive, NSPCC, 19 August 2022

Case study 15: Culture Measurement Framework – NatWest Group

NatWest Group's Culture Measurement Framework pulls together over 100 measures from business units and control functions, as well as independent external sources, into a single insight into the Group's culture. Examples include audit and behavioural risk data, independently produced 'whistleblowing' data including numbers of cases and outcomes, independent data to assess customer service culture, and colleague engagement feedback and staff survey results.

NatWest Group found that the measures for culture they had in 2015 were not effective enough to help track progress against their culture change programme, so they designed new ones influenced by best practice.

The People Strategy and Insights Team started reporting to the Board using these basic measures, then upgraded them in 2016-17, and in 2021 integrated all the measures into a 'one-Bank' culture report for the Board that triangulates the data across functions.

The Group ensures that the measurement work leads to change where needed. Culture is led from the top. Alison Rose, NatWest Group's Chief Executive, sponsors the work, together with the Bank ExCo.

Targets are set for the people and culture measures and these are published in the Annual Report and Accounts. Key measures are shared with line managers every six months through an interactive toolkit. This toolkit allows managers to compare their team's results with others in the Group and via external benchmarks. Managers use this insight to action-plan, integrating this into their people plan and tracking progress throughout the year.

Focusing on culture has had a positive impact. In 2016, both the engagement levels of staff and the leadership index were below the Global Financial Services Norm benchmark. By 2021, engagement had increased from 73% to 89% and leadership effectiveness improved from 68% to 85%.

"My top tips for others seeking to gain a better understanding of their culture are:

1. Start small and build – don't wait for all your systems to talk to each other.

2. Try to get a coalition of the willing engaged from across the organisation – our work has been turbo-boosted through working with colleagues across finance, audit, risk, customer services etc.

3. Shape your approach based on best practice – we found the Financial Reporting Council guidance to UK Boards on 'Corporate Culture and the Role of Boards' as well as the Financial Services Culture Board review of NatWest Group, and insight from the Prudential Regulation Authority, Financial Conduct Authority, Institute of Risk Management, and the Institute of Internal Auditors really helped us."

Greig Aitken, Group Head of People Strategy and Insights, NatWest Group,
16 May 2022

Case study 16: Values based assessment – Standard Chartered

Standard Chartered uses a values-based assessment to select high-quality candidates whose values align with those of the Bank.

The values-based assessment is based on the Bank's Valued Behaviours framework, which was created after inputs were sought from the company's 80,000 employees through a global employee survey. The Bank specifically asked employees to provide input on the behaviours that are required to bring the bank's purpose to life.

Since the launch of the framework, the Valued Behaviours have been embedded across the organisation and are reinforced consistently by leaders and in internal communications.[74] All employees set objectives against them, they are the foundation of 360-degree feedback, they are built into the Bank's executive and management development programmes, they are at the centre of onboarding programmes, and every applicant is screened using a values-based assessment as part of the application process.

The values-based assessment is used across the bank's footprint, primarily spanning Asia, Africa and the Middle East, and to a lesser extent, Europe and the Americas. Within the first year of the assessment's rollout, Standard Chartered invited more than 52,000 candidates to complete it as part of the application process. Of the candidates who completed the assessment, 88% of candidates met the criteria and 12% were screened out for not meeting the behavioural standards expected.

"Our hypothesis has been that those who are more likely to behave in line with our Valued Behaviours (and perform better on the test) are more likely to stay longer, perform better and be more engaged in their journey with the Bank. And our data suggests that hypothesis is proven."

David Wilson, Head, Organisation Development, Standard Chartered, 17 May 2022

An analysis of 18,000 assessments completed as part of the development and pilot process found that:

- candidates who scored higher on the assessment showed 5.8% lower new joiner attrition than the global average

- individuals who were hired after completing the test and participating in their annual 'My Voice' staff survey had a 13.41 percentage point higher employee net promoter score than the global score

- higher performing candidates on the assessment had a 9% higher chance of being hired after progressing through subsequent selection stages.

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74 Standard Chartered, About us: our culture, valued behaviours and purpose. Accessed online August 2022: **www.sc.com/en/global-careers/early-careers/who-we-are/culture-values-and-purpose/**

Case study 17: Recruitment staff engagement exercise focusing on behaviour – Office for Environmental Protection

As a new public body, the Office for Environmental Protection (OEP's) entire executive team of four was hired in one go. All the short-listed candidates had to take part in a staff engagement exercise in front of a panel of volunteers representing different grades and teams across the OEP and an external assessor. This is now a common element of recruitment to senior roles in the public sector, and the Chief Executive of the OEP found this stage the most insightful part of the application process.

The reporting from the exercise was focused on behaviours. Candidates gave five-to-ten-minute presentations on their leadership style, followed by a Q&A. Staff wanted to know: are these people who share values with me? Are these people who will be a good leader and do I feel inspired by them?

The exercise assisted in building a rounded picture of candidates and was used to brief the selection panel and influenced questions or areas for discussion at final interview. While a strong performance in the exercise didn't necessarily correlate to skills and experience, candidates only made it to this stage of the selection process if they were above the bar on these requirements. That some candidates performed exceptionally well and some candidates did not could not be predicted from the paper application. The four successful candidates were each rated highest in the staff engagement exercise for their role.

"It has proved incredibly successful in our recruitment. I am looking for leaders who will nurture and grow their people and who will lead by example. This exercise requires candidates to demonstrate that they have the skills that my staff need their leaders to have. I think it's an absolutely essential part of the appointment process and I would not recruit to a senior post without running a similar exercise."

Natalie Prosser, Chief Executive, Office for Environmental Protection, 15 June 2022

The Office for Environmental Protection was created in November 2021 with the mission to protect and improve the environment by holding government and other public authorities to account.

Appendix 2: About the Committee on Standards in Public Life

The Committee on Standards in Public Life (CSPL) advises the Prime Minister on ethical standards across the whole of public life in England. It monitors and reports on arrangements for upholding ethical standards of conduct across public life in England. The Committee is an advisory non-departmental public body sponsored by the Cabinet Office. The chair and members are appointed by the Prime Minister.

CSPL was established in October 1994, by the then Prime Minister, with the following terms of reference:

"To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life."

The remit of CSPL excludes investigation of individual allegations of misconduct.

On 12 November 1997, the terms of reference were extended by the then Prime Minister:

"To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements."

The terms of reference were clarified following the Triennial Review of CSPL in 2013. The then Minister for the Cabinet Office confirmed that CSPL "should not inquire into matters relating to the devolved legislatures and governments except with the agreement of those bodies", and that "the Government understands the Committee's remit to examine 'standards of conduct of all holders of public office' as encompassing all those involved in the delivery of public services, not solely those appointed or elected to public office".

CSPL is a standing committee. It not only conducts inquiries into areas of concern about standards in public life, but can also revisit those areas to monitor whether and how well its recommendations have been put into effect.

Membership of CSPL for the period of this review

The review was conducted from March 2022 to November 2022.

Lord (Jonathan) Evans of Weardale KCB DL, Chair

Rt Hon Dame Margaret Beckett DBE MP

Ewen Fergusson

Dame Shirley Pearce DBE

Professor Gillian Peele

Rt Hon Lord (Andrew) Stunell OBE
(until 30 November 2022)

Rt Hon Sir Jeremy Wright KC MP
(until 20 November 2022)

Chair of CSPL's Research Advisory Board

Professor Mark Philp

Secretariat

CSPL is assisted by a secretariat consisting of Lesley Bainsfair (Secretary to the Committee), Nicola Richardson (Senior Policy Adviser), Amy Austin (Policy Adviser) and Lesley Glanz (Executive Assistant). Press support is provided by Maggie O'Boyle.

Declarations of Interest

Members' declarations of interest can be found on CSPL's website and are updated regularly.[75]

Maggie O'Boyle also provides part-time press support to the Office of the Commissioner for Public Appointments, the Advisory Committee on Business Appointments, the House of Lords Appointments Commission, and the Civil Service Commission.

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75 CSPL website. Available at:
www.gov.uk/government/organisations/the-committee-on-standards-in-public-life

Appendix 3: The Seven Principles of Public Life

The Seven Principles of Public Life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The Principles also apply to all those in other sectors delivering public services.

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner.

Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Appendix 4: Stakeholder list

A list of all stakeholders who held discussions with CSPL is below.

CSPL was grateful for the opportunity to have preliminary discussions with the following stakeholders before the launch of the review, to help shape thinking on the scope of the review:

- Mark Chambers, then Associate Director (Governance) and Guendalina Donde, then Head of Research, Institute of Business Ethics
- Siobhán Sheridan, Chief People Officer, Financial Conduct Authority
- Professor Paul Heywood, University of Nottingham
- Professor James Arthur, Jubilee Centre for Character and Virtues, University of Birmingham

Meetings (oral evidence), March to July 2022

1	Anand Aithal	Lead Non-Executive Director, Cabinet Office
2	James Barbour	Director, Policy Leadership, Institute of Chartered Accountants of Scotland (ICAS)
3	Geoff Barton	General Secretary, Association of School and College Leaders
4	Dr Jayne Chidgey-Clark	National Guardian, NHS
5	Alex Chisholm	Chief Operating Officer for the Civil Service and Permanent Secretary for the Cabinet Office
6	Jacqueline Davies	Director of Leadership and Lifelong Learning, NHS Leadership Academy
7	Pamela Dow Dame Sara Thornton	Then Executive Director, Government Skills and Curriculum Unit Chair, Government Skills and Curriculum Unit Leadership Advisory Board
8	Sir Jeremy Fleming	Director, GCHQ
9	Dr Claire Foster-Gilbert	Director, Westminster Abbey Institute
10	Elizabeth Gardiner	Chief Executive, Protect
11	Oonagh Harpur	Senior Board Adviser
12	Michael Jary	Government Lead Non-Executive Director
13	Martin Jones CBE	Chair, Association of Chief Executives
14	Tanuj Kapilashrami David Wilson	Group HR Director, Standard Chartered Head, Organisation Development, Standard Chartered

15	Keith Leslie	Chair, Samaritans
16	Chief Constable Dr Richard Lewis	Chief Constable, Dyfed-Powys and National Police Chiefs' Council Ethics Portfolio Lead
17	Rupert McNeil	Then Chief People Officer, Civil Service HR, Cabinet Office
18	Dame Clare Moriarty	Chief Executive, Citizens Advice
19	Dame Alison Peacock	Chief Executive, Chartered College of Teaching
20	Dave Penman	General Secretary, First Division Association
21	Helen Pitcher OBE	Chair, Public Chairs' Forum
22	Dame Susan Rice	Chair, Financial Services Culture Board
23	Anita Aul Antonia Simpson	Deputy Ethics Partner, Deloitte LLP Director of Ethics, Deloitte LLP
24	Robert Smith	Director Business Compliance and Ethics, Serco plc
25	Rt Hon Baroness Gisela Stuart	First Civil Service Commissioner
26	Andrea Sutcliffe CBE	Chief Executive and Registrar, Nursing and Midwifery Council
27	Abi Tierney	Ethics Adviser, Home Office
28	Darren Tierney Tristan Pedelty	Director General, Propriety and Ethics Then Director, Propriety and Ethics
29	Sir Peter Wanless	Chief Executive, NSPCC
30	Wendy Williams CBE	HM Inspector of Constabulary and HM Inspector of Fire and Rescue Services
31	Various	Cabinet Office Staff Board
32	Various	NHS Freedom to Speak Up Guardians
33	Various	Police officers and staff
34	Various	Civil Service Nominated Officers
35	Various	Chief executives and chairs, Association of Chief Executives and Public Chairs' Forum joint event