

## ening Decision Point

## Creating an Ethics Program

Imagine that you work in the Human Resources department of your company. Your CEO has asked the HR department to develop an ethics program for the firm, and you have been assigned responsibility for creating it. You have been asked to report back to your CEO in two weeks with a draft version of a code of ethics for the company, a summary of other elements that the ethics program will include, and a proposal for how you will be able to assess whether the program is working. Your CEO also asks that you come prepared to explain to her what role she can play in promoting ethics and in ensuring the success of the ethics program.

In beginning your research, you discover that there are a number of potentially desirable and somewhat overlapping outcomes of effective ethics programs:

1. Discovery of unethical/illegal behavior and reducing meltdowns, resulting in avoidance or reduction of fines/criminal charges (applies to several of the following):
2. Generation of awareness of ethical and legal issues.
3. Provision of a resource for guidance and advice.
4. Accurate reports of wrongdoing.
5. Greater customer loyalty, resulting in increased sales and better reputation.
6. Incorporation of values in decision processes.
7. Development of greater employee commitment and loyalty to the organization, resulting in higher productivity.
8. Satisfaction of external and internal stakeholder needs (all resulting in more effective financial performance).

Play the role of this HR person in several different types of businesses: a fast-food restaurant, an automobile dealership, a retail store selling consumer electronics, a government agency, and a large international corporation.<sup>1</sup>

- List the issues you think should be addressed in a code of ethics.
- Other than a code of ethics, what other elements would you include in an ethics program?
- How will you define "success"? Are there any facts that you will need to gather to make this judgment?
- How would you measure success along the way? How will you measure whether your ethics program is "working" before you reach any end objective?
- Who will you define as your primary stakeholders?
- What are the interests of your stakeholders in your program and what are the impacts of your program on each stakeholder? How might the measurement of the program's success influence the type of people attracted to the firm or people who are most motivated within your organization?
- How will you answer the CEO's questions about her own role in promoting ethics?