# Creating an Effective Ethics Program Determine




## YOUR COMPANY'S VALUES:

Your company values will be the foundation of your ethics program. The best way to determine your company values is to talk with your company leadership and to your employees. Some companies found it most effective to use focus groups; others used written questionnaires or asked for suggestions from employees. The following questions might be used to get your employees thinking:

- What do we stand for?
- What is most important to us?
- What do we believe in?
- How do we want to be perceived?
- What are your personal values?
- What are your professional values?
- What was the philosophy of the founders/owners of our company?
- What do we write about our company in our ads or other marketing materials?
- Who are the stakeholders of our company? (Our customers, employees, their families, suppliers, our community, our shareholders, etc.) What is important to them?

## EXAMPLES OF COMPANY VALUES MAY INCLUDE:

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|---|---|---|
| **Honest** | **People** | **Accountability** |
| **Integrity** | **Fairness** | **Cooperation** |
| **Respect** | **Commitment** | **Teaming** |
| **Trust** | **Diversity** | **Loyalty** |

| | | |
|---|---|---|
| **Good Citizenship** | **Leadership** | **Excellence** |
| **Responsibility** | **Openness** | **Creativity** |
| **Customer Satisfaction** | **Courage** | **Dignity** |
| **Quality** | **Safety** | **Conscientiousness** |

## DEVELOP A CODE OF CONDUCT OR EMPLOYEE HANDBOOK

Your company's Code of Conduct should set forth your company values and important business conduct information for your employees. Be sure that your Code is "user friendly." It should be brief, understandable, and a useful tool for all of your employees. (Don't let it be a lengthy, legal tome, which may be incomprehensible to many employees.) Some companies have chosen to have a relatively short employee Code of Conduct or Handbook that gives brief descriptions of various policies, with references to the more expansive company policies so that employees know where to go for detailed information on topics that are relevant to their work situation.

## EXAMPLES OF ISSUES THAT MAY BE INCLUDED IN A COMPANY CODE OF CONDUCT ARE:

A letter from the Chairman/Executive Office

Statement of Company Values (If you selected just "one word" values, this would be an excellent opportunity to add a phrase or sentence of expansion or explanation.

- How to reach your company's ethics advisor to ask a question or report a concern
- The Company's policies on confidentiality, non-retaliation, thorough investigation of employee concerns, and feedback.
- Other sources employees can contact for advice on specific topics (e.g. employee benefits, legal problems, contract issues, safety concerns, etc.)
- Your company's toll free number for asking questions or reporting concerns
- Quick quiz to see if you are approaching an ethical dilemma
- Answers to frequently asked questions

While you can learn a great deal from other companies' codes and statements of values, we encourage you to develop your Company Code internally so that it reflects your company's unique culture, history, and workforce.

Some companies choose to include in their Code of Conduct certain policies that pertain to high risk compliance areas. Such as:

- Company confidential information

- Competitor’s information
- Conflicts of Interest
- Discrimination and Harassment
- Electronic Communications
- Environmental Protection
- Export Issues
- Gifts, Gratuities, and Entertainment
- Insider Information
- Political Contributions and Activities
- Privacy
- Product Quality/Product Safety
- Protection of Company Assets
- Security
- Use of Company Assets
- Workplace Safety

## CONDUCT EMPLOYEE AWARENESS TRAINING

In addition to publishing a Code of Conduct, it is very important that you communicate to your employees the company’s commitment to ethics. Employee awareness can be achieved through something as formal as one hour of live ethics training each year for each employee or you may choose to use a variety of ethics awareness initiatives that can be presented to employees periodically on a more informal basis. (i.e. incorporating ethics discussion into regular staff meetings, safety meetings, employee forums, etc.)

One very effective method of training is top-down, cascade training in which each leader trains his or her direct reports beginning with the Company President training his or her staff, then cascading down through the entire company with employees hearing the company’s ethics message from their immediate supervisor. This ensures that the importance of the message is not diluted and each leader “talks the talk” as well as “walks the talk.” Also, it is compelling that employees are hearing this very important company message from their immediate supervisor and not an outside professional trainer.

## ESTABLISH A TOLL FREE PHONE NUMBER

It is very important that your Ethics Program include a place where your employees, suppliers, and others who do business with your company can go to ask questions or raise areas of concern. Having a toll-free line goes a long way to dealing with the regrettable, but very common problem that sometimes keeps people from coming forward …that is fear of retaliation or retribution in the workplace.

We recommend that the toll free line be answered by “a real person” and not merely an answering machine. The concern raised may be investigated by your designated ethics advisor or forwarded to the appropriate company department or personnel for resolution.

Many companies refer to their toll-free number by a specific name to send the message that it more than just a “hotline” to report wrongdoing, but to encourage employees to use it to ask questions or seek guidance. (When in doubt, ASK!)

Examples include:

- Helpline
- Ethics Line
- Open Line
- Integrity Line

Once you set up your toll free number, be sure to publicize the number in your employee directory, posters, company newsletter, and other employee communications. It is also very important to establish a system for tracking and reporting calls to your toll free line.

## INCLUDE ETHICS AWARENESS INITIATIVES

**Every company leader (from the highest level of management to the lead on the shop floor) should use every opportunity to verbalize his or her personal commitment to the company's ethical standards. Such opportunities to weave in references to ethics may be during formal speeches or presentations, in company newspaper articles that are primarily on matters, other than ethics, as well as during the very important one on one conversations that take place in the workplace or on the shop floor.**

Other ethics awareness initiatives that stress the company's commitment to ethical conduct may include periodic employee communications through company newsletters, posters, employee memos or e-mails, coffee mugs, Frisbees, pens, notepads, mouse pads, tshirts, calendars, and so forth. Real life ethical issues can (and should) also be discussed at safety meetings, staff meetings, stand-up meetings, marketing strategy sessions, or program reviews.

## ESTABLISH A FORMAL WRITTEN POLICY ON ETHICS AND BUSINESS CONDUCT

Every company's command media should include a written policy on ethical business conduct. It should be signed by the company's top official. This formalizes the company's commitment to the highest ethical conduct in all aspects of their business.

## IDENTIFY AREAS OF RISK FOR YOUR COMPANY

Many companies choose to include certain areas of compliance training and awareness in their ethics and business conduct program. Each company should look closely at its particular business and determine the areas of risk. Such areas may call for training of all employees or just certain select groups for specific risk areas. Some risk areas may include:

- Anti-Kickback
- Antitrust
- Company Assets
- Conflicts of Interest
- Cost Accounting
- Environmental Laws
- Gratuities
- Procurement Integrity

- Proprietary Information
- Safety Rules/ OSHA
- Teaming
- Time Charging