



TenStep Supplemental Paper

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The Mirror Test

The late Paul Wellstone talked to every employee on the very first day he took over as the Senator. As he spoke he said, "If I get puffed up with the importance of being a Senator and slide off the ethical compass, I want you to shore me up."

Unfortunately, the corporate world boasts very few managers with this attitude. The increasing trend of corporate misdoings is a testimony of this perturbing tendency. Post-Enron, dishonest corporate doings haven't stopped.

According to the Global Economic Crime Survey 2005 by PricewaterhouseCoopers, "The number of companies involved in fraud have increased from 37 percent to 45 percent since 2003; more than one-third (34 percent) of these crimes were discovered by accident."

Fact not fiction!

Stories of employees made to be part of illegal activities, lying to the customer or the stockholders are not unheard of. Sadly, some organizations encourage dishonesty or tolerate it putting the HR in a tight spot. When the Society for Human Resource Management interviewed its members, various instances of fraud came to light. As expected, the HR department's say in such matters is limited.

When Steve was appointed the HR manager of a big firm he was thrilled. With good pay, a bonus and allowances, there was nothing more he wished for. However, as days passed he discovered that the firm illegally hired many immigrant workers. Investigations and the boss himself confirmed his doubts.

Whenever the Immigration and Neutralization Services caught the organization, the top management readily paid a fine to escape any punishment. The leadership of the organization was clearly disarrayed. The HR manager was helpless and eventually quit.

For many employees, especially HR professionals, dealing with organizational deception is perilous. HR personnel constantly endeavor to better things and talk to the senior management. Any employee would find it is difficult to work for discriminatory firms that espouse faulty hiring, discrimination, harassment and illegal immigration.

Under such circumstances, the responsibility of HR increases for its employees further. In management terms the HR is responsible for conformity and the ethics of the organization.

Mark Grate, who resigned as the head of HR from one organization, says, "HR is out there alone in many ways when it comes to upholding ethical standards."



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Top story

When the top management is the offender, the HR department finds the situation risky. The hostile and biased environment created by the boss terribly disturbed one HR manager. She knew filing a complaint with co-workers with EEOC was advisable. Sadly, the days after that were so traumatic it led to a nervous breakdown. And that ended the fight against misconduct.

Ethics training program

"Ethics are important to all companies, and a major breach in ethics can result in a profound loss of customers, credibility, reputation and valued employees."

The ethics training workshops are a boon for the HR managers and have taken new dimensions in most organizations. While most look at it to protect from unwarranted liabilities, there are some organizations where ethics training programs are considered in their entirety. To start with, the training should be mandatory. Once the top brass is exempt from this, it clearly shows that rules do not bind them.

Any program that talks about ethics to its employees must teach them to identify instances that espouse dishonesty in any form. When faced with such a situation, an employee must ask himself questions like:

- Whether the action or act is legal
- Whether it complies with the principles and corporate ethics
- And when the employee knows that it is wrong; ask for help.

Role-play and interactive workshops

An ideal approach would be to include interactivity in the ethics workshops. This provides a platform to air grievances, experiences and encourage clear communication. The workshops can be made positive by sharing positive instances and forming groups that can effectively deal with illegalities. HR too must keep track of these programs by checking their authenticity and the final learnings to its employees.

Ethics manager

Heard this before? After WorldCom went bankrupt, the rebuilding strategy included an unfamiliar idea - to appoint an Ethics Manager for the company. Apart from looking at the accounting and financial reports and legalities, the ethics officers deal with complaints and other ethic related investigations. These officers are usually come from legal backgrounds or have degrees from universities that offer programs in business ethics.

HR and ethics managers do not necessarily belong to the HR department. It would be advantageous, though, to appoint knowledgeable and experienced in-house personnel for the job. However, the downside is in the technicalities. The manager must fulfill the legal and financial legalities that are vital to the ethics management.



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WorldCom has set up regional ethics offices across the country. The purpose is to get a bigger employee strength with stronger ethical values.

Up and down

The ethics manager and workshops must aim at spreading these values up and down the corporate ladder. "Training is just one component. Ethics needs to be integrated into business communication. It needs to be regularly on the lips and pens of executives.

When they meet with employees and talk about how the company did in sales this month, they need to also remind employees of values and standards. The message needs to be communicated in a variety of ways with routine frequency."

All's not lost

Despite the negative instances and corporate misconduct that HR fails to tackle, there are a few lessons learned. One is to never give up on the principles in which one believes. Tough times may surface when the professional principles stand for corporate ethics.

Laura, an HR assistant, quit her job to take up a career as a consultant. She says, "I didn't sell out my integrity, and I can hold my head up. I basically decided to give up my career. My husband and I adjusted our lifestyle."

"In the end, you've got to be able to look at yourself in the mirror and know you've done the right thing," says Alexander, a former HR director.