Ethics can be defined as a system of moral principles that is used as a guide to determine the difference between right and wrong behavior. Organizations that fail to place a strong emphasis on ethical conduct may be more susceptible to harmful activities like employee theft, fraud, workplace discrimination or mistreatment of customers.

Running a company with a sound ethics strategy is important on many levels. When you offer your employees a strategy for ethical behavior, you help set the groundwork for a more honest workplace. Employees trust you and respect their coworkers, incidents of theft and fraud are often avoided, and managers have a resource for dealing with situations that arise.

The creation of a highly ethical organization, however, requires a strong commitment from top management. This commitment to ethical behavior is incorporated into the organizational culture through the development of ethics policies and procedures which are used to train all members of the organization. Close scrutiny of organizational behavior is also required.

In many cases, employees who witness or are victims of unethical practices are reluctant to report these activities to management for fear of retribution due to being labeled as a “whistleblower.” A comprehensive code of ethics and access to a confidential ethics hotline that allows employees to report unethical behavior in total anonymity are important steps in ensuring an ethical work environment. An excellent first step is the implementation of an ethics reporting hotline from Lighthouse Services. But there is more you can do within your organization to maximize your influence.

The following questionnaire serves as a guide to help you as a human resources professional or ethics officer determine whether your organization currently exhibits adequate ethical behavior. The more strongly you agree with each of these statements, the higher the likelihood your organization operates in an ethical manner. Negative responses can highlight opportunities for improvement in your organization’s ethical standards.
### Code of Ethics

- Your organization has developed a written code of ethics that outlines what is considered ethical and unethical behavior, and all employees receive regular ethics training.
- Your organization employs a chief ethics officer or equivalent to develop and implement a code of ethics and oversee its enforcement.
- Your company’s code of ethics and ethics training programs are routinely reviewed to ensure they keep pace with a changing work environment.
- When a violation of the code of ethics occurs, the organization takes appropriate disciplinary action on a consistent basis.
- All employees have been given a written copy of your organization’s code of ethics, and you have obtained a signed release from each employee acknowledging receipt and understanding.

### Confidentiality

- If employees observe unethical conduct on the part of other employees, they can report it without fear of retribution or retaliation.
- Your organization offers an independently administered ethics hotline where employees can report ethics violations in confidence.
- All employee records are handled in the strictest of confidence.
- Employees are trained to handle sensitive information in a confidential manner.

### Work Environment

- Your organization has implemented a policy that encourages diversity in the workplace.
- Your organization has implemented a policy that discourages discriminatory practices based on age, gender, race, religion, disability and marital status when hiring, disciplining, promoting or terminating employees.
- Policies are in place to discourage intimidation, sexual harassment and bullying in your workplace.
- Your organizational culture fosters an environment where all employees are treated with dignity and respect.
- Employees are surveyed on a regular basis to gauge their perception of the effectiveness of the organization’s ethics policies and procedures.

### Management Practices

- Top management in your organization routinely addresses the importance of ethical behavior when communicating within the organization as a whole.
- Supervisors are expected to intervene when they detect unethical, discriminatory or harassing behavior.
- You can easily identify supervisors in your organization who exemplify ethical behavior in their daily activities.
- Supervisors in your organization are held accountable for the ethical behavior of their subordinates.
- Ethical behavior is a key component of your organization’s formal management training program and new employee orientation.
- Ethical behavior is part of the criteria used when considering a candidate for promotion into a management role within your organization.
**Business Relationships**

- Your organization has implemented a policy where employees are discouraged from putting their own interests ahead of the organization's well-being, such as accepting gifts from suppliers in exchange for other consideration.
- Your organization has implemented a policy that places a specific limit on the value of gifts employees receive from outside business entities.
- Your organization has implemented a policy that clearly specifies what is considered a conflict of interest.
- Your organization makes use of vehicles that protect proprietary information, such as “non-compete” agreements.

**Customer Relations**

- Your organization's advertising and marketing practices do not attempt to mislead customers by making false or unrealistic claims.
- Customer service training is provided for all members of your organization who come in contact with your customer base.
- Organizational policy dictates that customers should be treated with the same level of courtesy both during and after the sales process.
- Your organization treats all customers in the same manner, regardless of their individual characteristics.
- Your organization is quick to acknowledge its mistakes and acts swiftly to make things right with the customer.
- Your organization's salespeople are trained as to what constitutes ethical and unethical behavior when dealing with customers and sales prospects.

**Social Responsibility**

- Outsiders view your organization as a leader in promoting ethical behavior in the workplace, as well as in championing social causes.
- Social responsibility is an important consideration in your organization's long-term decision-making processes.
- Your organization encourages its employees to participate in activities supporting social and environmental causes.
- Your organization regularly provides financial or manpower resources to support activities that benefit the local community.
- Environmental and human rights concerns are incorporated into the daily activities and work processes of your organization.
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