

Evaluation of a business code of ethics essay

[Business](#), [Management](#)



A code of ethics ensures that, if followed, employees will work diligently with integrity and expertise, safeguard confidential information, and do so in a professional manner. Implementing and maintaining a code of conduct and ethics creates stakeholder confidence in a multinational financial services company. Midlife is one of the largest financial services companies in the world as well as the number one life insurance company in the United States; providing services worldwide in the following areas: investments, financial planning, banking, and insurance.

Midlife was formed as a dual insurance company in 1864 in the wake of the American Civil War. The company would insure Civil War veterans against disabilities because of wartime injuries and sickness. After a rough start in the first four years and several reorganizations, the company started to focus primarily on the life insurance industry; a move that would establish Midlife as one of the largest companies in the United States. Over the past 143 years Midlife grew significantly through acquisitions and continuing to provide superior service and support to clients.

Most recently Midlife acquired American Life Insurance Company (ALICE), and revised people financial services, life insurance, health insurance, and investments, in the following countries: Australia, China, India, Japan, Korea, and Pakistan. This calculation has given Midlife a dominant spot in the global financial services market making Midlife the largest insurance company in the world. With more than 50,000 employees worldwide, management accentuates an ethical corporate culture with a compliance department that goes above any state or federal regulations with strict compliance monitoring.

Management also creates a positive working environment free of harassment in any form and develops employees with goals of creating professional relationships that last a lifetime as well as achieving high levels of sales and pay. In addition to Métier's code of ethics all officers, managers, and employees must follow and obey all applicable state and federal laws, company policies, and industry regulations where they hold a license to avoid any perception of impropriety.

Métier's Chief Executive Officer Robert Hendrickson states, "For 140 years, Midlife has assets" (Midlife, 2005, p. 2). In accordance with this reputation, Midlife has a code of ethics in place to support those efforts with the core values integrity and honesty as the foundation of the ethical culture within the company. These core values are vital to the company achieving the Midlife vision; to build financial freedom for everyone. The code of ethics at Midlife is a voluntary code of conduct that emphasizes a duty-based ethical system.

The foundation for the code is broad and encompasses the following corporate values: integrity, expertise, suitability, full disclosure, fair competition, service, brand, confidentiality, professionalism, and reputation. However, a code of ethics does not errant ethical behavior. Managers enforce the code of ethics with employees as well as administer legal or disciplinary action that results from a deviation from the code of ethics. In the financial services industry deviations from compliance may result in a producer and manager getting in serious trouble.

Trouble can be anything from fines to arbitration hearings and loss of licenses and registration. Therefore, many employees genuinely try to make a living and build a successful career following the This is a result of the organizational culture at Midlife. Employees and managers just make minimum sales number each year and failing to hit target numbers results in termination. Any major deviation from Métier's code of ethics that results a fine or legal action against the company will have the same end.

There is a strong acceptance and adherence to the code of ethics. For example during quarterly compliance meetings employees get refresher training on important state and federal tax laws that change often. The effect this has on the organization is a positive one. However, there are exceptions to this as some employees and competitor's employees Just have bad personal ethics and draw active attention to the industry for bad business practices. A recent example is the Opinion scheme committed by Bernard Maddox.

In one of the worst periods of economic uncertainty Maddox defrauded thousands of investors out of billions of dollars and at the same time planted the seeds of consumer mistrust against individuals working in the financial services industry. Management expects employees to " do the right thing" for clients. The primary focus for employees is to achieve Métier's vision through fair sales practices, excellent customer service, and making suitable recommendations to clients. Employees must adhere to strict corporate compliance monitoring that goes above state and federal regulations.

For example an independent insurance agent, non- each year whereas a Midlife agent must comply with state regulations as well as Métier's annual continuing education courses. Métier's courses are intentionally more in-depth than the material that the state courses cover and emphasize ethics in all business practices. Midlife is proud of the reputation the company has established in the financial services industry and expects employees to operate their personal business with " the shiest standards of conduct in all business endeavors" (Midlife, 2010, p.). Managers also follow the same code of conduct and ethics. And can be held accountable for employee violation of the code of ethics. Management must adhere to strict company guidelines and complete many more continuing education classes that cover a variety of topics; some that employees take as well as many others that focus on corporate compliance regulations. State and federal laws to abide by so Midlife has its own regulations that cover all states and goes beyond any individual state's laws or regulations.

Each employee, manager or producer must complete an annual compliance review and demonstrate an understanding of the concepts and practices covered by the code of ethics. Corporate ethics and compliance managers hold quarterly and annual compliance meetings with all employees to discuss industry incidents and violations that cost other companies and producer's money, court proceedings, and careers. In the code of ethics there is little space for change to make monitoring employees easier or any individual employee more compliant. In the financial services industry Tate and federal laws change or are undergo tweaks a little each year.

To that end Midlife releases a code of ethics each year that outlines any new practices or changes in the way employees are to do business, always keeping standards consistent with Métier's vision. In short, a code of ethics is a necessary tool for management in an organization such as Midlife. All directors, managers, and employees are expected to read the code of ethics and refer to it when making critical decisions. The company keeps employees up to date with compliance meetings and maintains a high standard of compliance monitoring and reviews.

However, ethical behavior is not guaranteed simply because these systems are in place or available for review. Managers set the example for employees and set the standard for the employees they supervise. Under the duty-based system in place employees are expected to do the right thing for clients. The company hires from within only the best employees into management positions. This ethical system keeps organization simple while maintaining a strong compliance keeps financial transactions ethical and in line with Métier's vision; to build financial freedom for everyone.