

A system of inquiry into code-of-ethics compliance essay



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Abstract

The problem of designing and implementing a system of inquiry into code-of-ethics compliance can be approached in two ways – process based and outcome based evaluations. A sound data collection plan that would use surveys, interviews and focus groups, and direct observations will be the key instrument in either of the approaches. The measure of Organizational culture is another important component in the evaluation process. And an analysis of the indicators of the overall program performance forms the essential last step that consummates the inquiry.

Introduction

The basic purpose of a compliance program for following the code of ethics is to help the employees at all levels and functions within the organization to work together and achieve the broader and narrower goals and objectives in such a way as to be consistent with standards of ethical behavior. The ethics compliance program and the system of inquiry is an essential part of the learning process for the organization.

It is recognized as a good practice to always evaluate the ethics program, although as a matter of fact, few organizations actually do so. On top of that, such programs normally have not demonstrated that the expected program outcomes were achieved. Still, the program could be deemed a success, if it at least met the minimum requirements. In this context, it is no longer a question of whether to inquire into one's ethics compliance program, but rather to design a system of inquisition that goes about implementing it across a span of time. The following pages will delve into the framework for <https://assignbuster.com/a-system-of-inquiry-into-code-of-ethics-compliance-essay/>

the system of inquiry and the related issues during its design and implementation.

The Code of Ethics

Principle 1: Society

I will uphold the health, safety and welfare of wider society, future generations and the environment.

Principle 2: Organization

I will serve my employers and clients honestly, competently and diligently.

Principle 3: Peers

I will respect and support the legitimate needs, interests and aspirations of all my colleagues and peers.

Principle 4: Staff

I will encourage and assist those I supervise both to fulfill their responsibilities and to develop their full potential.

Principle 5: Profession

I will strive to be a representative of my profession and to promote the vision of the organization.

Principle 6: Self

I will be honest in representing myself and will continually strive to enhance both my professional competence and my ethical understanding.

Two approaches to Inquiry

Process Evaluation

Process Evaluation is designed to analyze how successful program implementation was. It is also designed to monitor which of the activities within the program were performed and to what extent. An instance of process activities and their corresponding output measure is the standards and procedures written and published through annual training courses in ethics. Regarding the participants of such courses, the extent that specific skills and knowledge were recollected at various periods of time after the training is an important indicator. And finally, the measure of participants' satisfaction during the training is another valuable piece of data.

From the point of view of the inquirer, these program activities and their outputs have negligible value in and of themselves, especially when it comes to forming remedial actions. Their value is much more indirect, but ultimately significant. When it comes to specific requirements, their value would be directly proportional to the extent to which they contributed to achieving program outcomes. To the contrary, if these activities and outputs do not contribute to the attainment of desired program outcomes, they offer very little value, and could be perceived as wastage of resources.

Outcomes-based Evaluation

An outcome-centered evaluation, on the other hand, is necessarily concerned with the degree to which the program activities achieve their expected results. Some of the parameters that are measured are changes in the lives, attitudes, and behavior of the organization's employees, agents and other stakeholders to go with broader changes across the organization. While performing the inquiry, it should be kept in mind that factors other than program activities would likely have some influence on the behavior, significant or not. In this respect this method of inquiry is less accurate compared to Process Evaluation.

The following outcome questions can be used for generic evaluation by managers and other authorities of the organization:

Has there been a reduction in misconduct? Has there been less exposure to risk for misconduct? Are employees able to consistently recognize business conduct issues on the job? On how many occasions did the employees and agents speak in terms of procedures, standards and expectations? How frequently are decisions made with reference to procedures, standards and expectations? Are employees and agents willing to seek advice when required? How willing are employees and agents in bringing notice to concerns? How satisfied are employees who bring such notice with the management's response? How dedicated are employees to the organization? What is the satisfaction level of stakeholders with the organization? To what extent does the culture of the organization promote ethical conduct, and discourage misconduct?

Developing a Data Collection Plan

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There are wide ranging methods of data collection for evaluators to consider in gathering data for tracking organizational culture, relevant context scan, and process and outcome assessment. These include interviews, surveys, focus groups, document review, and direct observation. No single method is suitable for all purposes and each method has its own strengths, weaknesses and demands on resources. The bottom line is to develop an efficient and inexpensive data collection plan that encourages the employees to give their honest opinions, so that the evaluators, other authorities and stakeholders get a clear picture of the status of various aspects of the organization.

It is here that surveys and document reviews come in handy. Not only are they an effective tool for data collection but are also relatively cheap.

Further probing can be followed on from the initial leads gained, impressions formed, focus groups, interviews, etc. It is to be noted that some evaluations can only be done through direct observation, which is a touch expensive.

Unless third parties are involved in this data collection effort, it is practically impossible to assure anonymity and confidentiality, which are essential factors in eliciting candid responses.

Commonly Used Data Collection Methods

Surveys

These are standard written instruments that contain a list of questions about the issues to be evaluated. They include a combination of types of questions, e. g., single, direct questions, questions with yes/no answers, series of questions about the same topic and unstructured open-ended questions.

Surveys can be conducted by mail, in person, over the telephone, online <https://assignbuster.com/a-system-of-inquiry-into-code-of-ethics-compliance-essay/>

through the Internet, or as part of an event or activity. Surveys are usually an efficient strategy for data collection.

There is nevertheless, a limit to the number of questions that the employees could be expected to answer accurately. It is important to see to it that “survey fatigue” does not set in among the employees, which will skew the results on the negative side. A judicious mix of questions regarding different aspects of the program is recommended, since the question set is essentially limited. Care must also be taken in seeing to it that questions regarding demography don’t compromise the initial promise of anonymity or confidentiality.

Interviews and Focus groups

These can take the form of a questionnaire that is usually unstructured and conducted either directly or over the telephone. Focus group interviews are appropriate for small groups that are well acquainted (normally about ten people in the group). The interviewer can probe in-depth for information. Ideally the duration of such interviews should be kept less than an hour per person.

Document review

This process involves scanning the records and documents of the organization for both detailed as well as evaluative information of the program process and its outcomes. The review can focus particularly on the nature and frequency of certain behavior patterns. Conducting these reviews

requires higher competence levels, so an experienced evaluator may be assigned this task.

Direct observation

This is essentially direct, first-hand and close observation of interactions and events. Some pre-established protocols are to be used as guidelines during the course of the process. The information collected can be both descriptive and evaluative in nature.

Measuring Organizational Culture

While it is true that there are two basic approaches to program evaluation – process and outcome-centered – there is one other important aspect of organizational life that must be measured for a program evaluation to be complete. That is the culture of the organization itself.

The ethics compliance evaluation will include measuring how much does the organization exercise due diligence to avoid and detect anti-social and illegal activities. Also, program activities can be appropriately designed with a better understanding of the organization's culture. For instance, there is a strong connection between culture and communicating styles, training programs, etc. that give useful inputs to measuring compliance. More importantly, an organization's culture is the ultimate measure of how successful the code-of-ethics have been complied.

Although the culture of the organization is the result of the program activities, it is also the fundamental starting point for the design and

implementation of those same programs. To measure culture, the following <https://assignbuster.com/a-system-of-inquiry-into-code-of-ethics-compliance-essay/>

question needs to be answered: “ What do we stand for and what is our collective identity?”. Answers to such questions need to be measured either qualitatively or quantitatively, so that the designing of program activities reflect the best format, the desired outputs and the expected changes in the overall culture of the organization. A survey instrument is used to find the organization’s commitment to observe ethical standards and legal compliance.

Measuring Over-all Program Performance

It is important to note that routine inquiries into process outcomes are necessary in order to secure the confidence of the stakeholders in the ethics compliance program. These evaluations answer questions such as:

Program Process: Did we fulfill our objectives?

Program Outcomes: Can we observe any of the expected changes?

Organizational Culture: What is our identity and what is our commitment to the compliance of ethical standards?

The same dynamics that are addressed during the design and implementation stages are reflected during the process of program evaluation. Factors such as context, culture and stakeholder expectations are significant in determining the results. The process of evaluation can vary in both intensity as well as degree of formality.

Purpose of Program Evaluation

Framing the set of questions which will be used as the instruments for evaluating the compliance of the code of ethics is the first and the most important step. During the early period of the process, the managers and other authorities, who would act as evaluators would have to emphasize on the process. Some salient questions during this stage are: Are the procedures, standards and expectations established? How effective is the training program? How do the stakeholders perceive the reports sent to them?

The ultimate reason for having the compliance programs is more than just to have a code of ethics that directs conduct and responsibility. The senior management and other authorities would also want to know how effective the entire program is in achieving the desired outcomes. In addition to this, the management has other expectations, such as reducing risks or changing some elements of the organizational culture, so that the core principles and beliefs regarding ethics remain intact.

Scanning the Relevant Context

Before getting too far ahead in evaluating outcomes, the managers and others in positions of authority need to observe and record the context of various operations. Part of this process is involving stakeholders to find out their demands and needs for information. This is the only way the organization can assign priorities among various outcomes and decide which need to be evaluated first and what parameters to observe.

Tracking Organizational Culture

Though changing the organizational culture may not be the primary reason for implementing the ethics compliance program, the program will nevertheless make small but significant changes to the prevailing culture. Moreover, the degree of success of such programs will invariably be influenced by the existing cultural patterns. For instance, a close relationship is evident between employee perceptions that the top management cares as much about the code of ethics as it does about the economic bottom line. This is all the more a reason to track some, if not all, aspects of organizational culture. The parameters include measures of ethics-related actions of employees at all levels of the organization. The following list of characteristics would capture the complete profile of the existing culture.

The extent to which leaders and employees alike embrace the organization's core principles and values, and are proficient at preserving them while inspiring progress. The degree to which leaders and employees uphold self-responsibility to high standards. Extent to which leaders inspire employees in subordinate positions and the willingness of the latter in accepting given opportunities for greater participation in organizational affairs. The degree to which members across the board have access to the knowledge they need and when they need it. Extent to which honest mistakes and natural conflicts of interest are seen as opportunities for growth and learning.

The people carrying out the inquiry can use a standard organizational culture worksheet to design a plan to observe, track, and measure the culture. They will work with the organization's stakeholders in order to determine and measure cultural factors. For example, to determine if " attitude of the

leaders is reflecting the code of ethics”, the evaluators may measure the following indicators:

Employee perceptions of attitudes at the top measured with the aid of interviews, focus groups, and surveys. Analyzing the statements made by managers can be determined through a review of leadership communications. Deducing the intentions of leadership via interviews with important personnel.

Process Evaluation Here, the evaluators try and judge the efficacy of the process. It involves looking at how efficiently and effectively the resources were being used, if all the program activities were being performed, and if the expected outputs were being achieved. The recent trends in the models of evaluation fall under this category, especially the ones in the quality improvement area. It also provides a comprehensive and exhaustive framework for preparing reports. This framework for planning and reporting helps in reassuring the stakeholders on the veracity of the findings.

A process evaluation worksheet could be developed by the inquirers to device a plan to gather and interpret data. For instance, where standards and procedures of communication during training are being evaluated, the worksheet can be used to look at training costs, the number of employees trained in one year, level of participant satisfaction, and performance on action plans subsequent to training. As suggested before, process evaluation also leads to consideration of qualitative parameters, including activity success rates, challenges, unforeseen developments, and insight.

Expected Program Outcomes

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The authorities and managers would have to precisely define the measurable outcomes. Global standards like the Caux Round Table Principles, Guidelines for Multinational Enterprises, Basic Guidelines for Codes of Business Conduct, UN Global Compact and the Principles for Global Corporate Responsibility can all be used by the evaluators in setting specific standards. From these standards, the organization can draw outcomes for its code of ethics compliance program. For each outcome, the evaluating authorities need to identify specific reasonable, measurable, pragmatic, and time sensitive indicators.

To achieve fewer violations of standards and procedures, the indicator might be cases of observed breaches and failure to meet stakeholder expectations. To achieve increased employee commitment to the organization, indicators might be employee turnover and whether employees would recommend that a family member join the organization. To achieve fewer violations of organization standards, the evaluators and other authorities might track help-line calls, customer grievances, and audit reports. They can then conduct surveys and ask employees, in an anonymous or confidential questionnaire, how much and what types of breaches in the code of ethics they have observed. They might have an outside party conduct interviews and focus groups and inquire, in more depth, into what violations occur and why.

The outcomes and indicators selected are designed to meet information needs of authorities conducting the inquiry, top management, as well as the reasonable expectations of stakeholders for information.

Conclusion

Thus, to sum up, the problem of designing and implementing a system of inquiry into code-of-ethics compliance can be approached in two ways - process based and outcome based evaluations. A sound data collection plan that would use surveys, interviews and focus groups, and direct observations proves to be the key instrument in either of the approaches. The measure of Organizational culture is acknowledged as another important component in the evaluation process. And finally, an analysis of the indicators of the overall program performance forms the essential last step of the System of Inquiry.

Reference:

De George, R T. " Business ethics", 1995, Prentice Hall Englewood Cliffs, New Jersey, USA

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