

Creating Advantage through Values-Based Culture Building

Organizational & Management Consulting • Training • Facilitating • Coaching

Performance Reviews Often Skip Ethics, HR Professionals Say

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In a new national survey, only 43 percent of human resources professionals said their organizations include ethical conduct as part of employees' performance appraisals.

In the study released jointly today by the Society for Human Resource Management (SHRM) and the Ethics Resource Center (ERC), human resource professionals said they are their organ-

asked to "clean up" the situations caused by ethics violations.

The SHRM/ERC study, The Ethics Landscape in American Business, was conducted for the third time since 1997. It is the only measure of its kind—one that examines the attitudes of human resource professionals about ethics in their workplace.

"Human resource professionals are integral to the process of creating and maintaining ethical organizations—from helping to write ethics and com-

"Establishing a comprehensive ethics program is the foundation for building a strong ethical culture in any organization..."

izations' primary resource for ethics-related issues, and they help create ethics policies. But most don't feel that they are truly part of the ethics infrastructure. Instead, they are just

pliance programs and procedures, to disciplining ethical breaches," said Susan R. Meisinger, SPHR, president and CEO of SHRM, the world's largest human resource organization.

"Organizations can benefit by bringing HR professionals into the early conversations when planning ethics-related programs."

Results of the study were compared, or benchmarked, to ERC's National Workplace Ethics

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Survey, a broader study fielded in 2007. The current SHRM/ERC study questioned 513 human resource professionals on six key business ethics themes, while ERC's poll surveyed 3,452 employees.

According to the SHRM/ERC study, only 23 percent of HR professionals say that their organizations have a comprehensive ethics and compliance

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Our Mission: To help organizations and schools increase their employee commitment and "customer" loyalty. These outcomes are reached through training, facilitating, and consulting in the critical components of culture-building: ethics, leadership, values-based decision-making, moral courage and strategic planning.

program in place, and 7 percent report that their employer has no program at all. The Federal Sentencing Guidelines for Organizations (FSGO) define a comprehensive ethics and compliance program as one that includes six components:

- Written standards of ethical work place conduct
- Means for an employee to anonymously report violations of ethics standards
- Orientation or training on ethical workplace conduct
- A specific office, telephone line, e-mail address or Web site where employees can get advice about ethics-related issues
- Evaluation of ethical conduct as part of regular performance appraisals
- Discipline for employees who commit ethics violations

“Establishing a comprehensive ethics program is the foundation for building a strong ethical culture in any organization,” said Dr. Patricia Harned, pres-

Words from the Wise

“To educate a man in mind and not in morals is to educate a menace to society.”

– Theodore Roosevelt

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“I gotta tell ya, these embezzlement convictions raise a red flag.”

ident of the ERC. “Since HR professionals are partners with ethics and compliance officers in building and maintaining a culture of integrity, it’s disappointing that less than one-quarter of them indicate that their organizations have established a full program.

“But it is reassuring to see that 82 percent of HR professionals said they reported ethical misconduct when it was observed, compared with 61 percent of employees.”

The study found that when HR professionals did not report wrongdoing, it was typically because they didn’t think they could remain anonymous, nor did they think that the people involved would be disciplined. Having a comprehensive ethics program addresses those concerns.

A decade ago, in the first SHRM/ERC survey, 79 percent of HR professionals said they reported misconduct they had observed. In 2003—after 9/11 and the fall of Enron—that number dropped to 73 percent.

Key findings in the survey:

- Ethical misconduct most commonly identified by HR professionals included abusive or intimidating behavior toward fellow employees, plus abuse of e-mail or Internet privileges. Employees (U.S. average) cited instances of colleagues calling in “sick” inappropriately, and people taking credit for some one else’s work.
- HR professionals think that top management (77 percent) would be less likely to be held accountable if caught violating their organization’s ethics standards than supervisors (86 percent) and non-management employees (91 percent).
- A small proportion of HR professionals (19 percent) and employees (U.S. average: 11 percent) reported feeling pressure by others (within their organization or externally) to compromise their organization’s ethics standards, company policy, or the law. ■