

Scoring On the Job

By Vadim Liberman



You've been in charge of picking a vendor for your company's sheet-metal needs. After signing a contract with the low bidder, you get a call from your new vendor's VP of sales. He thanks you for the business and adds, "Now that we've got all that finished, I think it's time to exhale for a few days. Listen, we're taking some clients down to the Masters, leaving Thursday morning and coming back Friday night. I'd love for you to come."

Can you say yes without violating your company's ethical standards, not to mention your conscience?

It may not be such a hypothetical question—being forced to answer, that is, not the Masters offer. Increasingly, executives across Corporate America are facing similar conundrums. Dow, Johnson & Johnson, DuPont, Ford, MasterCard, Pfizer, Viacom, Sun Microsystems, GE, IBM, Boeing, and others are turning to ethics trainers in order to teach their people right from wrong and to navigate the territory in between.

There's a lot of wrong to unlearn: One in four U.S. employees say they know of ethical violations in their organization—the majority of which are never reported, according to a recent study by Walker Information, an Indianapolis-based management consultancy. And only 54 percent of workers believe their senior leaders to have high integrity.

How to raise these failing grades? Ethics quizzes. Not only do they purportedly hammer home desirable values, but they serve as insurance: By showing that its workers have undergone ethics training, a company can trumpet its good intentions should it find itself in legal trouble stemming from ethical violations.

Of course, honesty testing and interview-room hypothetical questions are nothing new. And ethics trainers say that most of their clients have been with them since the B.E. era—before Enron, as consultants describe it at LRN, the Legal Knowledge Co., which specializes in ethics and compliance training. Likewise, consultants insist that most companies that seek ethics-training services do so not after they've gotten into trouble but to prevent becoming the next Enron.

What's different is the increasing popularity of ethics quizzes, driven partly by technology, since, for better or worse, most of today's quizzes are administered online. Often given by training organizations that sprung up during the late-1990s tech boom, these quizzes have evolved along with e-learning and as employees have gotten more comfortable using the Internet. For example, after a company purchases a consultancy's online course, employees can log onto the course's Web page to read through a tutorial and take a multiple-choice ethics quiz.

Companies are quizzing employees about their ethics. What are they finding out?

Not only can an unlimited number of workers usually take these tests anytime, anywhere, but online quizzing permits a company to deliver a consistent message to all its employees, according to Gretchen Winter, VP of business practices at Deerfield, Ill.-based Baxter Healthcare Corp., which has collaborated to develop quizzes with WeComply Inc., an online compliance-training organization. Furthermore, "Taking a course at your desk requires more interaction and active participation than if you were to sit in a training room with another hundred employees, listening to a lecture and viewing a PowerPoint presentation," explains David Celmins, VP of business development at Phoenix-based Corpedia Education, which specializes in the e-learning of management issues.

Nonetheless, other ethics-training organizations prefer live training sessions when administering their quizzes. Trainers from Wilmette, Ill.-based Ethical Leadership Group (ELG) often ask a roomful of employees multiple-choice questions and have people punch in their anonymous responses into wireless keypads. The overall results appear immediately, on an overhead screen. "It's hard to make sure employees are engaged and to impart the sincerity of your message with online training," says ELG senior consultant Jim Brennan.

That is why online tests should be only a supplement to live sessions, says Bruce Weinstein, an ethics consultant and author of *What Should I Do?: Four Simple Steps to Making Better Decisions in Everyday Life*. "There's no question that

the majority of ethics training should be done in person," he adds. "It's more engaging that way. It's like the difference between listening to music or going to a concert, or watching a movie or going to a play."

Like viewing a film or attending a play, taking an ethics quiz—whether given online or in person—aims to be more fun than the word-problem math exams you sweated through in high school. For example, employees answering questions developed by Mount Kisco, N.Y.-based WeComply can do so in the form of entertaining games such as *Who Wants to Be a CEO* (modeled after the popular game show *Who Wants to Be a Millionaire*) and *Ethical Pursuit* (inspired by the board game *Trivial Pursuit*). "There's a fear from some companies that putting a quiz into any sort of game format could trivialize the content," says WeComply founder and president David Simon, "but the vast majority of our clients believe that training should be fun."

Such fun often involves addressing hypothetical scenarios. "They're the most helpful and relevant method of imparting ethics lessons," Brennan says. "They help to flesh out values, and they let people understand what it means to live those values in their day-to-day work life." Some training companies, such as ELG, will even concoct scenarios specifically around a company's own code of conduct. "You'd be remiss if you didn't tailor questions for each company," Brennan says. "Off-the-shelf questions are OK, but it's not the way to get a specific company's workers to think about ethics."

And since employees at different levels are often forced to consider different ethical dilemmas, trainers will develop questions specific to level of employment. Front-line employees may answer questions dealing with time cards; senior management may struggle with corporate-governance quandaries. But that separation isn't universal: Los Angeles-based LRN administers the same ethical questions to all employees regardless of title. "Ethics is ethics no matter where you are on the totem pole, from the shop floor to the boardroom," says Don Griffith, the company's law, compliance, and ethics counsel.

Some trainers question the usefulness of ethics quizzes altogether. Princeton, N.J.-based Midi Inc., a multimedia ethics and compliance training organization, chooses not to integrate quizzes into its "Eye on Integrity" training programs. Because there are no right and wrong answers when it comes to ethics, explains Midi founder and president Jack Noon, quizzes are pointless. But even when a "right" answer exists, it's often obvious. Consider the following Corpedia question:

Which of the following is not a question you should ask yourself to resolve an ethical dilemma:

- Is the action legal or right?
- Who will be affected by this action?
- Is this action consistent with company values?
- Will it reflect poorly on the company?
- What do I have to gain?

"It can be fairly easy to correctly guess your way through the quizzes," concedes WeComply's Simon. "This is partly because the commonsense answer to most questions is some form of, 'If you're not sure, ask your supervisor or compliance officer or legal department.'"

Quizzing the Quizzers

You're interested in hiring an ethics training organization to teach and test your employees. But how to choose one? Here are some questions you might ask a prospective ethics trainer.

Who wrote the questions? In addition to ethicists and HR consultants, make sure attorneys have researched and helped write the programs. Should your company find itself at the wrong end of a lawsuit, the ethics course itself may be the object of legal scrutiny.

How will participation be tracked? Depending on your needs, you may want to know individual workers' answers to specific questions, overall results per question, or you may simply want assurance that employees have completed a course. Be sure to ask the training company how it will present you with results.

When were quiz questions last updated? Ethics, especially when tied to compliance, constantly evolve. Make sure your workers won't be answering outdated questions from before you were born.

How customizable are questions? Can the organization develop programs based on your company's code of conduct? Can it create different questions for senior managers and entry-level employees? Find out how flexible the trainer is.

—V.L.

But trainers aren't necessarily looking for an employee to choose the right answer. "These programs are more about the importance of asking questions in order to get people to think about ethical dilemmas," remarks Kirk Jordan, VP of corporate ethics and compliance services at Waltham, Mass.-based Integrity Interactive Corp., which develops ethics and compliance training programs.

Baxter's Winter adds that even if employees get all the questions right without studying the accompanying tutorials—and, therefore, without learning the specified lessons—at least the company knows that those workers are approaching ethics in a positive way.

Maybe . . . maybe not. If an employee knows that his boss will view his quiz's results, he's likely to simply mark the answer that his boss wants to see—that is, the "right" answer—even if in reality the employee would act less ethically.

As a result, "Quizzes aren't useful if people feel that they're going to be judged or that future employment is at stake based on the results," Weinstein says. Thus, companies like Baxter will simply want to know that an employee has completed the quiz rather than how he performed on it.

In the end, an employee's ability to ace an ethics quiz isn't going to predict his behavior. "There's no way our courses will suddenly make someone ethical," explains Integrity Interactive's Jordan. "Our goal is simply to raise awareness." As long as a company's values and ethics are effectively communicated to its workers, he says, then the job of the ethics consultant is done. ♦

How Ethical Are You?

To find out, take our ethics quiz, a compilation of actual questions that ethics-training companies administer. And in case you're still wondering if you should accept that trip to the Masters—the one mentioned on page 45—the answer is no. It's too lavish of a layout, according to ELG, the company that developed the question. Although the contract has already been signed, your new vendor will probably be bidding for your business again next year. Furthermore, it would give the appearance of impropriety.

You've been warned.

1. Barbara is a sales representative for Global Fashions Inc. One of her best customers, George, places a large order for linen jackets for the coming spring season. Barbara knows that Global has had production and delivery problems with the jackets. However, she also knows that George's order will assure her year-end bonus. Should she:

- (A) Take the order. There's no guarantee that Global won't meet the deadline, and George is sophisticated enough to know that sometimes problems happen in manufacturing.
- (B) Warn George of the risk and put the sale at risk before taking the order, if George still wants to place it.
- (C) Refuse the order, since she's likely to disappoint a long-time customer by promising something that may not happen.

2. As a director, you pride yourself on how well you get along with those who report to you, and how they let you into their confidence. One day, though, you wonder if that was such a good idea after all. "Hey, boss, wanna hear the latest gossip?" asked Karen, one of your best performers but a person not known for holding her tongue. "It's a juicy one," she adds. "Sure," you say.

"Old Arnie's getting it on with his administrative assistant, who spilled the beans to Gloria after a couple cocktails last weekend. Seems she's hoping the Old One will leave his wife. Riight. Suuure he will."

"Old Arnie" is the senior vice president of your department and your direct boss.

"Doesn't that violate policy?" asks Karen. "He shouldn't be doing that, should he? Shouldn't we report this to HR?" What should you do?

- (A) Report it to HR.
- (B) Nothing. Since the relationship evidently is consensual, it is nobody's business.
- (C) Talk to Arnie.
- (D) Talk to the assistant to make sure that the situation really is consensual.

3. Joan is a general manager of a division of Global Operations. In that capacity, she knows that her company is planning on making layoffs soon. Dave, a good friend in another division, tells Joan he is about to buy a new house that is much more expensive, but he's confident

that he can make the higher payments, because his career at Global is going well. Joan doesn't know if Dave will be laid off but is concerned. Should she:

- (A) Warn Dave of the upcoming layoffs.
- (B) Encourage Dave to hold off on buying the house because "something is up" and she can't say more.
- (C) Let Dave's direct supervisor know what Dave is doing.
- (D) Stay out of the issue. Since Joan doesn't know what's going to happen to Dave, there's really nothing to do.

4. At a Global Energy board meeting, the CEO reports that he received an anonymous letter three months ago in which an employee complained about misleading financial disclosures. The CEO notes that he gave the letter to the company's outside law firm, which investigated it and concluded that the allegations were without merit. The CEO then goes on to the next agenda item. Wendy, an independent director, is troubled that none of her fellow directors ask to read either the letter or the law firm's report, and that the CEO waited three months to tell anyone on the board about the letter. As a board member, what is her best option?

- (A) Let it pass, as the issue seems to have resolved itself.
- (B) Raise the question privately with the CEO to get a satisfactory answer.
- (C) Ask for time during the meeting for an executive session to discuss the issue.
- (D) Personally call the outside law firm for a more detailed explanation.

5. Sally and Bill are collaborating on a company project. One afternoon, Bill walks into Sally's office without knocking and notices sexually explicit images on her computer monitor. What should Bill do?

- (A) Nothing, since Sally was minding her own business in her own office.
- (B) Ask Sally if her activities had anything to do with their project or other company-related business.
- (C) Report the incident to his supervisor immediately.

6. Don is a sales representative for a local moving company. His friend Adam works as an auto salesman. Adam informs Don that people who move are surprisingly likely to buy new cars shortly thereafter because their commute has now changed. He tells Don, "I'll tell you what. Give me the names of people you meet with to discuss moving. I'll send them a welcome-to-the-neighborhood note. If any of them buy a car, I'll give you a piece of my commission." Don should:

- (A) Give Adam the names—there's no harm done.
- (B) Offer to take Adam's cards and give them to customers.
- (C) Decline the offer.

7. You've been a manager at your company for five years and have developed an excellent reputation. Your future looks bright, which is a good thing since you have a family to support. Yesterday a fellow employee, Kim, came to you

with a problem. Kim, an African-American woman who used to report to you, had just been turned down for a promotion. You believe she was very qualified for the position and perfectly capable of doing it with excellence. The candidate chosen was a white male with good qualifications but not as much experience or, in your opinion, capability as Kim. Steve, the manager who did not select Kim, happens to be “a rising star” whom you’ve known for years and with whom you get along pretty well. Steve couldn’t make you CEO and couldn’t get you fired, but he is in a position to help or hinder your career. What do you do?

- (A) Encourage Kim to speak to HR and offer to speak to them as well about your excellent opinion of Kim.
- (B) Talk to Steve.
- (C) Tell Kim that many (legitimate) factors go into a promotion decision and that such a decision can’t be judged from the outside.
- (D) Talk to Steve’s supervisor.

8. One evening after work, you’re scanning the investment message boards on the Internet. To your surprise, someone is spreading information about your company that just isn’t true. They are saying that your company is going to fall far

short of expectations, but you know that in fact you will exceed them. You’re afraid that this rumormonger will hurt the stock price, and you’re tempted to set the record straight. What do you do?

- (A) Hold your tongue.
- (B) Post the real numbers but don’t volunteer your identity.
- (C) Post the real numbers and add that you are in a position to know.
- (D) Refute the rumor but don’t post any numbers.

9. Jeff has just been appointed to the board of World-wide International. During his first meeting, the board hears a presentation about new product development from one of the company’s senior managers, who is black. After the manager leaves, the CEO comments, “He’s the smartest one of his people I’ve ever met. I’m glad we have him.” Jeff should:

- (A) Confirm that the manager’s career has not been hurt by the CEO’s apparent racism.
- (B) Confront the CEO about his apparent racism in front of the rest of the board.
- (C) Speak to the CEO privately about the matter later.

Answers:

the cards are on the table, there are few, if any, ethics issues left. By warning George of the issue, he knows the risks and can make a better-informed decision. (LRN)

2. (A) Even if a relationship is consensual, it is a conflict of interest for a supervisor to have a personal relationship with someone who reports to him. (Ethical Leadership Group)

3. (C) There is no easy answer to this one, which is typical for an ethics issue. Warning Dave of the layoffs can pose substantial business risks for the company if Dave shares the news. Encouraging Dave to hold off and giving a cryptic reason is also inappropriate. Likewise, staying away from the problem doesn’t help, because avoiding the issue doesn’t resolve it. The best course is to let Dave’s manager know. If Dave’s job is safe, there is nothing to tell. If it isn’t, Joan can help work with the manager to design a solution to the situation that resolves the issue in the most ethical way possible. (LRN)

1. (B) Many ethical issues are resolved by disclosure. When all

4. (C) The best approach is to raise the issue now—other board members may have similar concerns. If Wendy is to make informed business decisions, she needs to have adequate information. If she’s uncomfortable with the information she has, she needs to discuss the issue with other board members. Letting the issue pass could be dangerous—it could turn out that there really was a problem. While board members can rely on outside counsel and other experts for advice, if doubts still linger, the members should address them immediately, as the board is ultimately responsible for the organization. (LRN)

5. (C) Bill has a duty to report violations of company policy. It is up to his supervisor to determine what further action, if any, should be taken. (WeComply)

6. (C) By agreeing to help Adam, Don puts himself in a potential conflict of interest. He may end up more focused on winning commissions through Don than on making the sale or helping his own company. In addition, he compromises his relationship with his customers, who don’t know that he

is also looking to them for potential auto-sales commissions. The best course is for Adam to decline Don’s offer. (LRN)

7. (A) The HR department is trained in how to handle possible situations of discrimination, and the situation should be referred to them. You don’t know all the details of Steve’s decision, so you should not take a stance as to whether it was proper or not. By offering to share with HR your good opinion of Kim, you’re showing proper support and yet are not improperly taking a position on the matter. (ELG)

8. (A) Revealing non-public information would likely violate securities laws. (ELG)

9. (B) Even if the CEO’s comments have not led to any negative actions, they set a hostile tone at the top of the enterprise that could lead others in the company to believe that racist behavior is acceptable. By not confronting the CEO directly and in front of other board members, Jeff might be sending a message to other board members that he will tolerate this kind of behavior. (LRN)