OPTIMAL ETHICS SYSTEM CHECK-UP:
A Risk Management and Performance Quality Benchmarking Tool

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Benchmark the health of your organization's ethics systems. Rate your organization against the following 90 best practices in ethics management. Mark either "Yes, Sometimes, or No," according to your current situation. **At the end, count your total "Yes" answers**.

HIRING ETHICAL JOB CANDIDATES	Yes	Sometimes	No
1. The importance of ethics is highlighted in our job listings.			
2. Information is gathered and used in a way that does not discriminate based on a person's race, color, religion, gender, national origin, age, or disability.			
3. Reference checks are conducted with a potential employee's former employer or supervisor.			
4. Background checks, integrity tests, and personality tests are conducted with potential employees.			
5. Job finalists are asked to respond orally to potential ethical dilemmas.			
6. Managers take into consideration a potential employee's ethics when making a final hiring decision.			
7. When appropriate, alcohol, drug and polygraph tests are conducted.			
Subtotal for Hiring Ethical Job Candidates, items 1 through 7			

CODES OF ETHICS AND CONDUCT	Yes	Sometimes	No
8. We have a short Code of Ethics, or Values Statement, that articulates ethical expectations at work.			
9. We have an extensive Code of Conduct that provides specific examples of acceptable and unacceptable behaviors.			
10. The Code of Ethics is mentioned in our organization's strategic plan.			
11. The Codes of Ethics and Conduct are publicly displayed and available.			
12. Managers vocally support our Codes of Ethics and Conduct.			
13. All employees are trained to implement our Codes of Ethics and Conduct.			
14. All employees participate in an annual ethics code survey to determine how well our organization is living up to the code.			
Subtotal for Codes of Ethics and Conduct, items 8 through 14			

ETHICAL DECISION-MAKING	Yes	Sometimes	No
15. Ethics is an important consideration in our decision-making process.			
16. Employees are trained to use an ethical decision-making framework to help them derive moral answers when issues arise.			
17. Employees are comfortable engaging each other in an ethics discussion when contentious issues arise.			
Subtotal for Ethical Decision-Making, items 15 through 17			

ETHICS TRAINING	Yes	Sometimes	No
18. All employees receive ethics training annually as part of an ongoing continuous improvement effort.			
19. The ethics workshops are facilitated by someone our employees trust.			
20. The workshops examine real-life work-related situations that are linked back to the Code of Ethics or Code of Conduct.			
21. Employees share their real feelings with each other during our ethics workshop.			
22. Employees are comfortable engaging each other in an ethics discussion when contentious issues arise during our workshops.			
23. Employees understand the competitive advantages of being ethical and how being ethical impacts organizational performance.			
24. Training sessions are assessed at their conclusion to ensure that workshop goals and objectives have been accomplished.			
Subtotal for Ethics Training, items 18 through 24			

EMPLOYEE DIVERSITY	Yes	Sometimes	No
25. A specific person, such as a diversity officer, is accountable for diversity issues.			
26. Our employees reflect the gender, ethnic, racial, and religious diversity of qualified job applicants in the community.			
27. Managers support our diversity initiatives.			
28. Flexible work schedules and cafeteria-style benefit plans meet the needs of our diverse workforce.			
29. Our promotion, performance appraisal, and downsizing criteria do not discriminate against diverse employee groups.			
30. Diversity training workshops address self-awareness, employee differences, and employee commonalities.			
31. Achieving diversity goals are part of a manager's performance evaluation.			
Subtotal for Employee Diversity, items 25 through 31			

ETHICS REPORTING SYSTEMS	Yes	Sometimes	No
32. Managers welcome employee discussions about ethical issues.			
33. Managers welcome input from employees about ethical misconduct.			
34. A specific person, such as an Ethics & Compliance Officer (ECO) or an Ombudsman, is accountable for managing our organization's ethics program.			
35. Our organization's ethical reporting policy is clearly communicated to employees.			
36. An internal reporting system exists for our employees to *confidentially* raise ethical issues and receive ethical clarification.			
37. An internal system exists for our employees to *anonymously* report potential ethical wrongdoing.			
38. Employee requests for confidentiality are honored.			
39. Employees who purposely submit a false accusation are disciplined.			
40. There is zero tolerance for retaliation against whistleblowers.			
Subtotal for Ethics Reporting Systems, items 32 through 40			

ETHICAL LEADERSHIP, WORK GOALS, AND PERFORMANCE APPRAISALS	Yes	Sometimes	No
41. Our organization's commitment to ethics is reflected in specific managerial actions, and not just rhetoric.			
42. Our managers exhibit ethical traits in their private lives outside work.			
43. At work, our managers are honest, credible, respectful, and fair.			
44. Our managers encourage others at work to behave ethically.			
45. Managers take appropriate actions after employees share their ethical concerns.			
46. Employees are surveyed about the extent to which they believe managers behave ethically at work.			
47. Our work goals are jointly determined by managers and their subordinates, and linked to organizational objectives (i.e., Management-By-Objectives).			
48. Our work goals are specific, measurable, challenging, and attainable.			
49. We use 360-degree performance evaluations to obtain a holistic perspective of an employee.			
50. Performance appraisals measure ethical behaviors and attitudes.			
51. Employees engaged in unethical behaviors are warned and disciplined.			
52. Punishments for unethical behavior reflect the magnitude of the violation.			
53. Ethical integrity is a critical factor when considering promotions.			
Subtotal for Ethical Leadership, Work Goals, and Performance Appraisal, items 41 through 53			

ENGAGING AND EMPOWERING EMPLOYEES	Yes	Sometimes	No
54. Employee satisfaction surveys are conducted and results used to inform continuous improvement efforts.			
55. Employees are passionate about their work and the organization.			
56. Our managers request employee input on decisions that directly impact their work and work-life.			
57. Our go-getters are provided autonomy and leadership opportunities.			
58. Our managers continually increase work expectations for fence-sitters.			
59. Our adversarial employees are confronted by managers and plans are developed for changing behaviors.			
60. Team members are trained in group dynamics and collective problem-solving techniques.			
61. Our employees are provided with key data, including financial information, relevant to improving work unit performance (i.e., Open Book Management).			
62. Appreciative Inquiry techniques are used to address organizational issues.			
63. At the end of the day, our employees reflect on their daily performance and develop plans for the following day.			
64. Our employees elicit and review suggestions for improved work unit performance, and have the authority, within reason, to make changes as needed (Scanlon-type gainsharing plan).			

	Yes	Sometimes	No
65. Our employees share in the profits they help to generate (i.e. profit sharing, stock options, ESOPs, or worker cooperatives).			
Subtotal for Empowering Ethical Employees, items 54 through 65			

ENVIRONMENTAL MANAGEMENT	Yes	Sometimes	No
66. A specific person, such as an Environment Health & Safety Director, is accountable for environmental management.			
67. We have a cross-functional "green team" that addresses environmental issues.			
68. Our organization has an Environmental Management System (EMS) plan.			
69. Our managers consider the impact organizational operations have on the natural environment (environmental risk assessment).			
70. Environmental goals and objectives are established, monitored, measured, and assessed annually.			
71. Product, or service, packaging is minimal.			
72. We operate in a "green" building.			
73. We share our environmental expectations with our suppliers and consider their environmental record when making purchasing decisions.			
Subtotal for Environmental Management, items 66 through 73			

COMMUNITY OUTREACH	Yes	Sometimes	No
74. A specific person, or employee team, is responsible for developing and monitoring our organization's community outreach activities.			
75. Upper management encourages input from, and dialogue with, stakeholder groups for issues that affect community members.			
76. Our organization donates money to community organizations.			
77. Our organization donates products or services to community organizations.			
78. Our employees volunteer their time, on company time, with community organizations.			
79. Our organization uses community service as an opportunity for employees to develop project management, leadership, and team building skills.			
80. Our organization provides job opportunities for nontraditional employees, such as people with disabilities or ex-convicts.			
81. Our organization has developed a strategic partnership with a community organization.			
82. Our managers participate in local business associations such as a rotary or the chamber of commerce.			
83. Our organization measures and assesses its community impacts and shares the information with the community.			
Subtotal for Community Outreach Items, 74 through 83			

ORGANIZATIONAL ASSESSMENT	Yes	Sometimes	No
84. Our organization systematically examines its ethical performance on an annual basis.			
85. Our organization benchmarks itself to the industry's best ethical practices.			

86. Our organization benchmarks itself to the Optimal Ethics Systems Model.			
87. Our organization collects information from suppliers and customers about our ethical performance.			
88. Unethical behaviors are tracked to their systematic cause (hiring problem, ethics training problem, role model problem, work goal problem, performance appraisal problem, etc.).			
89. Corrective actions are taken when unethical behaviors occur, and managers are held accountable for implementing appropriate changes and achieving improved results.			
90. Relevant information about the organization's ethical performance is shared with the CEO.			
Subtotal for Organizational Assessment, items 84 through 90			

Count your total "Yes" answers. If you scored:

60 to 90: Well done! The health of your organization's ethics systems is better than that of most companies. Remember, there is always room for continuous improvement!

30 to 59: Pretty good! However, your organization can be a lot healthier when it comes to managing business ethics.

0 to 29: Time to get to work on improving your organization's ethical health.