**Ethical Business Behavior**

When dealing with a legal problem, the legal system and courts give companies consideration for having a code of ethics. It is one of the Federal Sentencing Guidelines for Organizations (FSGO) issued by the U.S. Sentencing Commission (a guide to courts and lawyers issuing sentences in legal cases. The seven guidelines describe a workplace that shows a commitment to ethics by having an organized system for promoting and monitoring ethical behavior. Specific features include placing a high-level employee in charge of the program, not giving duties to employees with a tendency toward illegal activities, and communicating ethical expectations through employee training or a written code.

**The Seven Guidelines for a Workplace:**

An effective program is a process of continuous activities that are designed, implemented, and enforced to prevent and detect misconduct. The FSG suggest a compliance program, with the organization exercising due diligence by performing the following steps (U.S. Sentencing Commission, 1994):

1. Codes of conduct must be developed that are capable of reducing misconduct.

2. Specific high level personnel must be responsible for the compliance program (i.e., compliance officers) and support the ethics/compliance program (i.e., top management) .

3. Substantial discretionary authority in the organization must not be given to persons with a propensity to engage in illegal conduct.

4. Standards and procedures must be communicated to employees, other agents (such as advertising agencies), and independent contractors (or consultants) through training programs and formal communication systems. (All relevant stakeholders should be exposed to the company code of conduct).

5. The organization must take reasonable steps to achieve compliance with its standards, by using monitoring and internal auditing systems to detect misconduct. A reporting system must allow employees and agents to report misconduct without fear (i.e., anonymous ethics hotlines).

6. Standards and punishment must be enforced consistently in an organization, and the organization must create a process to prevent further offenses.

7. A plan to review and modify the compliance program is necessary to demonstrate a continuous improvement process in self-monitoring. These seven steps represent the minimum an organization can do to demonstrate due diligence.

**Directions:** Please write a **one page commentary** either on a Google doc or MS Word Document about The Seven Guidelines for a Workplace. In your commentary please discuss what codes of conduct/ethics do you feel are most important for a business to have and why?

**\*Tip** – you should research at least 5 company’s Code of Conduct or Code of Ethics. From there, you should be able to formulate what values and ethics are important for any type of business to have. Your commentary does not have to analyze a specific business, but write in the general sense which values/ethics you believe are important for a business.