INTERNATIONAL BUSINESS ETHICS REVIEW

Transatlantic Perspectives on Business Ethics Training

By Lori Tansey Martens

Despite similarities in the approaches of European and U.S. companies to business ethics, fundamental differences exist in all aspects of their business ethics programs, including business ethics training. This article seeks to enhance understanding of the European and the U.S. approaches to business ethics training and to encourage "cross fertilization" of training ideas and concepts. It also points out areas where both approaches may fail to adequately address ethics concerns within organizations.

Definitions

Given the tremendous amount of diversity among corporate ethics programs, it is impossible to summarize a single European or U.S. approach to business ethics training. Some amount of generalization is necessary to facilitate comparisons between the two approaches. The author recognizes that numerous exceptions exist on both sides of the Atlantic to the oversimplified

Business Practices Training in Asia

By Amber Kelleher

Traditional social mores have been ingrained in Asian cultures for centuries, yet the Western concept of business ethics remains an emerging discipline throughout Asia. This article will offer insights on regional developments in applied business ethics in East and Southeast Asia, describe how Asian companies are approaching business practices training, and identify strategies that organizations can use to improve current training activities in Asia.

Background and Regional Developments

The interest in business ethics and business practices training has been steadily increasing in many Asian countries, particularly over the past decade. The emphasis is slowly migrating from academia, where researchers and scholars have been studying the theory of business ethics for years, into the mainstream business environment. This new sense of importance can be attributed to several factors:

- The 1997 Asian financial crisis led to legislative reforms founded on anticorruption measures;
- Dependence on foreign direct investment required companies to increase transparency and improve their corporate governance systems;
- An increase in the amount of business transacted internationally has led to a rise in consumer activism, producing sophisticated customers who are scrutinizing business practices more than ever before; and
- Many Asian governments are enacting accounting reforms to avoid the devastating conse-

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Special Focus: Considerations on Business Ethics Training

In This Issue:

From the President

By Lori Tansey Martens

It is with deep sadness that I report the death of Jim Wigle, longtime Chair of the Institute's Board of Directors. Jim was the first chairman of the organization, serving from 1995 to 2002. Under his leadership, the organization grew tenfold in size, expanded to Europe, and developed a reserve fund to ensure Institute operations well into the future.

Jim was not only a tireless supporter of the Institute, but also a valued mentor to me personally. Perhaps Jim's greatest legacy is the long list of young people he mentored and encouraged to follow their dreams. It is, therefore, a fitting tribute that the Institute has established the James B. Wigle Fellowship in his honor. The fellowship will permit graduate students to gain firsthand experience about the field of business ethics during their studies and to learn how business ethics can have a positive effect – not only within the business community, but also in society in general. I cannot think of a better way to ensure that Jim's compassion, vision, and generosity will continue for future generations. For more information on Jim and the Wigle Fellowship, please see page 18.

Leaders like Jim Wigle do not come around very often. A few are born with innate qualities of leadership, but most must acquire leadership skills over a lifetime of experience. Developing leadership skills in business ethics presents even greater challenges, challenges that codes of conduct or helplines cannot address. Only business ethics training can assist in the process of creating leadership in business ethics.

Many companies around the world are currently engaged in revisiting codes and helplines in response to legislative mandates designed to address recent corporate scandals. Yet, we feel it necessary to focus on the most critical element of a business practices program: *training*.

In this issue we take a look at business practices training in Asia and compare business ethics training in Europe to training taking place in the United States. We also examine the question of managers as trainers for business ethics programs (see page 3).

And so we dedicate this issue of the *Review* to the memory of James B. Wigle (1914 - 2002). Promoting future leaders in business ethics, whether through the Wigle Fellowship or effective business practices training is, perhaps, the best way to honor the memory of one of the greatest leaders I have ever had the privilege of calling *friend*.

Preparing Managers to Conduct Business Ethics Training

By William Miller

Introduction

Prior to expending precious resources on designing a business ethics training program, organizations should give great thought to a number of concerns. What are the objectives of the training program? Whom should the company train and what type of training should employees receive? Yet, one important question that may often be overlooked or insufficiently answered in the early planning stage is: Who will roll out the business ethics training program to our employees? Will the training be conducted by the ethics office, human resources/security personnel, managers, external consultants, etc? Such decisions are rarely unilateral because deploying different types of trainers to roll out a training program may well represent the optimal method for delivering business ethics training within organizations, particularly large multinational institutions.

Employees of different types or levels may, in fact, benefit from different types of trainers: key company executives, top line managers, and the Board of Directors, for example, might best be trained by an external agent who would not be placed in the awkward position of training individuals to whom they report directly.

Ideally, an organization will solicit the input of employees to identify which type(s) of trainer(s) would be best to conduct the business ethics training program. This step would, of course, form part of the planning stage and would precede all elements of course design and development. This article will assess the pros and the cons of making managers responsible for conducting business ethics training. It will also examine the issues to consider when an organization has decided to make managers responsible for conducting that training. While this article will refer to *managers*, the information it contains can be applied to human resources, audit, security, or other types of personnel who might conduct business ethics training within an organization. Further, the term *office of ethics* will be used to refer to any corporate office tasked with the business ethics function.

The Cons of Managers as Trainers

There are a few significant disadvantages to making managers responsible for business ethics training. First, being trained by one's own manager can inhibit employee participation and discussion levels during a business ethics workshop. Who would want to discuss a business ethics issue related to one's job, even hypothetically, when the person who evaluates one's performance and reviews one's salary is present in the room? This potential problem can be moderated through the design of the training (e.g., by having managers "cross train" one another's direct reports) and through instruction given to the manager-trainers.

The second disadvantage to managers training on ethics would be that managers, in general, are not professional trainers. Nor are they ethics professionals, prepared to deal with the wide range of issues that might arise during a training session. Again, one must rely on the design of the training program and its support materials to ensure that managers will be well equipped and will feel comfortable about undertaking the training.

Finally, the benefits of having managers train their direct reports can be weakened or altogether lost when training is led by expatriated employees, particularly in locations where language and culture erect appreciable barriers between trainers and trainees. Under these circumstances, managers will not likely make for the most appropriate or effective trainers. Such other training options should be considered as identifying a manager or an external trainer who is from the region to conduct the training.

The Pros of Managers as Trainers

Despite the potential disadvantages that have been described, many advantages can be gained by making managers responsible for conducting business ethics training. One possible advantage would be cost-effectiveness in program

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delivery. Hiring external trainers to facilitate training can increase the expense of program implementation. However, as mentioned previously, external trainers may be desirable to deliver training to certain types and levels of employees, e.g., senior managers.

By placing managers in charge of implementing a business ethics program, an organization may be able to lend increased credibility to both the rationale and the content of the training program. When managers are entrusted with program delivery, employees are more apt "to buy into" the program. This may also give rise to a widespread understanding among employees that management, in general, is concerned with business ethics. It should, however, be noted that in some instances managers may not be able to increase employee credibility in the program, e.g., when an existing company has been purchased and new managers have been put in place.

Manager-trainers can do much to increase the comfort level of employees in dealing with the various business ethics resources available within the organization. Many employees, particularly in such locations as China, Germany, and Russia, are reluctant to seek guidance and counsel from business ethics resources. Managers can help to promote greater confidence in these resources by explaining how, when, and why to use them. Furthermore, manager-trainers can stress that for all employees, the number one business ethics resource and the first line of defense are managers.

Another benefit to having managers conduct business ethics training is that managers will, most likely, be able to offer better explanations of the corporate standards and how they pertain to a given region, function, or operation. Manager-trainers can breathe life into what are often dry or confusing corporate standards because they understand the business and how the standards concretely support the business. During training sessions manager-trainers and participants can, for example, discuss how the organization applies its policies on gifts and entertainment to issues that employees face in that given region, function, or operation.

Not only can the training program and participants reap benefits by having managers conduct training, but perhaps the company and the manager-trainers, themselves, can benefit as well. Through training implementation, companies can ensure that their managers are well informed about business ethics and their business ethics initiatives. Companies may also find that their managers develop a heightened sensitivity to ethics issues, which may lead to increased responsibility for fostering more responsible business practices at the departmental level. The training process will also provide manager-trainers with an invaluable opportunity to gain insight into their employees' concerns about business ethics. Managers will, therefore, be better poised to implement strategies and solutions for alleviating these concerns.

A final benefit would be increased communication on business ethics issues. Having managers openly discuss business ethics issues with employees is an effective way to demonstrate that an organization's culture is open to such discussions and that managers have an open-door policy with regard to business ethics.

In general, the advantages of having managers conduct business ethics training can outweigh the disadvantages. Yet, if managers are not brought on board – if they are not made part of the process – it is unlikely that they will, in fact, serve as the best ethics trainers for the company.

Bringing Managers on Board

The office of ethics will need to work to bring managers on board and to habituate them to the idea that they will be serving as business ethics trainers. Managers are apt to view responsibility for conducting business ethics training as an additional burden, consuming precious time and distracting them from their daily obligations. Fostering more ethical work environments is, however, a key responsibility that all managers share, a responsibility that can quickly fade into the background when confronted with the day-to-day, business demands on their time.

One way to bring managers on board is to involve them in the planning and the development of the training program. It would be neither advisable nor feasible to involve all managers in the planning and development process. Instead, the office of ethics should consider creating a training program task force, comprised of ten to fifteen management employees from around the world. Managers on the task force should, in fact, be individuals who will ultimately deliver training to employees. It should also be noted that many pitfalls can be avoided by soliciting the input and assistance of managers early in the process of creating the program.

Designing a Course for Managers to Deliver
Once the company has identified and confirmed that managers are the most appropriate resource to conduct the business ethics training, the office of ethics should give great thought to the format of the training: both the course elements and the logistics of the training. When developing a business ethics program, it is crucial to plan and to design the course with the needs of the **trainees** and the **trainers** in mind.

Impact on Format of Training Course
When an organization sets about designing a training course on business ethics, it most often contemplates the goal of the course, the individual training objectives of the course, and how best to meet those goals and objectives. When the organization requests managers to assume responsibility for conducting business ethics training, the objectives for course development become two-fold: "How does one design an effective business ethics course for participants?" and "How does one design a course that managers can deliver effectively?" From the beginning, the training course must be designed with intended users in mind, which includes the trainer.

There are five key areas related to designing a course that managers can deliver effectively. However, one important fact must be kept in mind at all times: **Managers already have a full-time job**.

1. *Method of delivery*
    Course materials should not be too "hi-tech." An electronic format for program delivery may sound good on paper and in theory, but practical use may prove difficult, particularly for global application. A traditional, slide-set presentation provides flexibility to trainers, who can deploy an overhead projector, a multimedia (LCD) projector, or simply a computer and monitor with participants.

2. *Trainers' guide*
    Dumping a weighty training guide on managers' desks (or the electronic equivalent in their e-mailboxes), requiring much reading and preparation on the part of trainers will benefit no one. Trainers' guides should be well structured and concise. While talking points may be provided as background material for more curious managers, they should not be offered as "reading points." Important points to cover should be spelt out for trainers as bullets, but great latitude should be accorded to managers with regard to actual delivery. Quick reference charts or text box sheets (containing important points and objectives) should be included in case the trainer gets "stuck" during the session. Handy reference materials for trainers to use during the course will increase the trainer's confidence. If the trainer is to furnish handout materials to participants during the training session, these materials should be easy to find and to print or copy. A check-list is recommended so managers will not forget to bring required materials to the training room and to perform necessary follow-up actions.

3. *Organization/structure of course and content*
    The objective of each component of the training should be clearly articulated to the trainer. Making certain that trainers understand the message to be conveyed will increase the likelihood that participants will receive the correct message. Uninitiated ethics trainers are apt to rely upon lecture-style instruction, which impedes the dialogue necessary for participants to engage actively in the session. Training sessions on business ethics should be interactive, freeing both trainer and trainee from what may be a "preachy lecture," while permitting learning through discussion. Course content should not be theoretical, which would place the trainer in the position of posing as an ethics professional.

4. *Support from office of ethics*
    The office of ethics should make it as easy as possible for managers to solicit training assistance. No matter how comprehensive the trainers' guide, managers are apt to have questions. During the planning phase and course development, the office of ethics should consider how it will administer and provide support services to managers.

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5. *Feedback mechanism*

   Rolling out a training program is an excellent time to collect information related to an organization's overall ethics initiative. However, one must weigh the need for this information against the burden it might represent to managers. It is likely that the office of ethics will need to distinguish between **required** feedback to capture and **non-essential** details that could be captured.

   There are at least two types of information that will prove invaluable to the office of ethics. The first is confirmation that the manager has completed business ethics training with his/her direct reports. Another important type of information to collect would be any questions and concerns that arose during training sessions that trainers were unable to address. Make sure that there is an easy way for managers to relate participant questions and concerns to the office of ethics and ensure that the proper means are in place to respond to participants. Do not assume that managers will take responsibility for seeking answers to participant questions and relaying those answers to participants. Responsibility for responding to participant questions and concerns should be coordinated through the office of ethics.

All of these areas – and perhaps others – should be discussed prior to developing the training program. If elements of course development or delivery will be contracted out to consultants, contractors should be required to deliver training materials suitable for use by managers and commensurate with the points enumerated above.

Preparing Managers to Conduct Training

As soon as managers have been selected to conduct the business ethics training, let them know that they will be responsible for this through formal communications. Inform them of the projected timetable for program development and advise them of any deviation to the timing as it occurs. While it may be appealing to have training conducted in every location within a given period of time, it should be remembered that the ethics training will be competing with the business demands. Some discretion with regard to the timing of training must be left to manager-trainers. It is, however, advisable to set **reasonable** limits on the overall timing of training.

A host of potential problems can arise during a business ethics training session. Managers must be prepared to face these issues. The following represent some of the problems most frequently encountered during business ethics training:

Preconceptions about Rationale of Training

Many employees will enter the training room with different preconceptions about what the company is trying to accomplish through the training session and about the subject-matter of the training session. Employee attitudes may range from feelings that the company is attempting to change an employee's moral beliefs to the company is trying to provide enhanced legal protection for itself. The office of ethics should adequately prepare manager-trainers for the cool receptions they might receive and how to deal with them. The design of the course can assist in addressing this potential problem by establishing discussion early in the training session, perhaps through a challenging scenario question. This strategy will quickly engage participants and give them a clear picture of course content. Manager-trainers will have to reassure employees that the company is not "testing" them and that they will not be giving the company president a sheet detailing which employees missed which questions. If, however, this is not the case, then managers should disclose this fact to employees.

Ethics: The Black, the White, and the Gray

Some participants will believe that questions related to business ethics ought to be black-and-white and that pat answers should be available for every business ethics question. This can place manager-trainers in the awkward position of being the "ethics answer person," which would exceed their capabilities. The business ethics course should make it clear to both trainers and participants that ethics often resides in the "gray area" so not all ethics questions have ready-made answers that can be found in a code booklet or that a manager can articulate. The inability to arrive at finite answers tends to frustrate employees who may feel that the gray area places ethics matters beyond their control. It is advised that trainers let participants know early in the training session that if a question arises that the group cannot answer, that question will be passed along to the office of ethics, which will develop and provide a response.

Allegations of Misconduct

During a business ethics training session, specific allegations of misconduct can arise. However, a business ethics workshop is not the appropriate forum to raise and discuss sensitive matters. Trainers should be prepared for this situation and know how to deal with it. A manager-trainer may even wish to preface the workshop by stating that if an employee wishes to discuss a specific ethics issue, he or she may do so in private with the manager. If a trainer is training his/her own direct reports, issues relating directly to participants' jobs may not surface. Manager-trainers may want to suggest that participants raise concerns with other corporate business ethics resources if they would feel more comfortable doing so.

Conclusion

The failure to sufficiently prepare managers to conduct business ethics training is unfair to both trainers and participants. It also significantly detracts from the ethics message that a company is attempting to convey to its employees. Instead of regarding manager-trainers as a means to deliver trainng, companies should consider and promote them as indispensable drivers of their ethics programs. Without the support and commitment of managers, a business ethics program is likely doomed to fail. When managers are viewed in this larger context, the reasons for soliciting their assistance and guidance on all aspects of the training program become apparent. Harnassing the myriad advantages of deploying managers can reap numerous benefits in the promotion of responsible business practices through-out an organization.

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The UPS Experience on Deploying Managers as Ethics Trainers

In 1957 Jim Casey, UPS founder, stated "We have become known to all who deal with us as people of integrity, and that priceless asset is more valuable than anything else that we possess." Seeking to build upon this message of integrity, UPS subsequently established its Corporate Compliance Department, which is responsible for developing and auditing UPS compliance programs and initiatives. In 1996, the company developed its first global compliance and ethics training program. Although UPS has consistently conveyed a message of integrity to its employees over the 95 years the company has been in business, UPS has deployed two different strategies to roll out its compliance and ethics training. UPS managers have facilitated both methods of deployment.

Cascade Approach with Train-the-trainer Sessions

When UPS decided to roll out its first formal ethics and compliance training program to its global employee population, it looked to the Human Resources Group, as well as managers in other areas of operations, to locate qualified trainers. Despite the fact that many of these managers were experienced facilitators, the UPS Corporate Compliance Department recognized that these trainers should be instructed on how to conduct compliance and ethics training. UPS decided to hold a series of train-the-trainer sessions to prepare its managers to cascade the ethics training throughout the organization. Train-the-trainer workshops were coupled with HR and other management meetings to ensure that the Corporate Compliance Department could provide simultaneous instruction to as many managers as possible in an efficient and cost-effective manner.

UPS viewed the train-the-trainer approach as critical to conveying its compliance and ethics message sufficiently and consistently throughout its global operations. The company also recognized that if it truly wanted to communicate with its employees, it would need to do so in the local languages of its employees. Hence, UPS translated its code document, the *Code of Business Conduct*, and the ethics training materials into 29 languages and language variations. By translating the materials, the company not only under-scored the importance of the compliance message, but also stressed its commitment to employees. Further, the translated materials helped UPS managers worldwide feel more comfortable in their roles as trainers.

The UPS Corporate Compliance Department implemented supplemental ethics communications to bolster the ethics message throughout the organization. For example, personnel from the Corporate Compliance Department typically spend time attending corporate meetings, participating in conference calls, or meeting with managers and employees while traveling to talk about compliance and to demonstrate that ethics and compliance matter to the company. In this manner the UPS Corporate Compliance Department can

The UPS Experience *(continued from previous page)*

provide continuous support for the compliance program, can respond to field questions about ethics issues, and can answer questions that manager-trainers might have about the compliance and ethics training.

While UPS wished to provide train-the-trainer training to all managers who would conduct compliance training, this was not possible. Therefore, the Corporate Compliance Department developed a training guide that could communicate necessary information to manager-trainers. UPS built elements into the training guide to ensure that trainers who had not participated in a train-the-trainer session would still feel comfortable delivering the compliance training. For example, the training guide makes it clear that under no circumstance does the company expect trainers to answer questions to which they do not know the appropriate responses. Manager-trainers are instructed to e-mail unanswered participant queries to the Corporate Compliance Department and, then, to relay approved responses to training session participants.

Cascade Approach of Video-based Management Program

On their first day of employment, UPS managers undergo a four-hour training session on compliance and ethics. However, the Corporate Compliance Department recognized that managers should receive continuous compliance and ethics training. In 2001, the UPS Corporate Compliance Department implemented an ongoing management training program to be repeated every two years. The UPS compliance training for ongoing managers concentrates on specific aspects of compliance and ethics. The 2001 program focused upon such issues as antitrust regulations, fair competition, and data privacy. The 2003 management training program concentrates on e-mail usage, data sharing, system access and usage, and records management.

To facilitate implementation of this program, UPS decided that managers would train their direct managerial reports. By making managers responsible for the training, UPS reinforced a general, but important message: managers are responsible for promoting compliance and ethics in the workplace. Anna Svärd Thompson, Corporate Compliance Coordinator for UPS, stated "The more involved we get our managers in the compliance and ethics initiative, the better. We do not want to rely on trainers from the HR or compliance departments to propel the program. At UPS, we prefer to place responsibility in the hands of managers so they can talk about compliance and ethics directly with employees in their areas."

Instead of conducting train-the-trainer sessions to prepare managers to conduct the management training, UPS decided to construct a straightforward program. Training tools for the program consist of a user-friendly training guide and videotape. The UPS management training is based on a series of videotaped scenario questions. During a training session manager-trainers play the videotaped scenarios and stop the tape at key moments to engage in group discussion.

UPS recognized that during training sessions a participant may wish to raise a specific allegation of misconduct they have witnessed. While managers are important business ethics resources to the company, UPS preferred that manager-trainers focus on their roles as trainers during training. The training session is not considered to be an appropriate forum for a manager to entertain employee questions about or to discuss suspected misconduct. Therefore, the company requested that manager-trainers reiterate appropriate compliance and ethics resources to participants after each segment of the training.

UPS translated the management materials into ten languages. The translation process included translation of the training guide and program communications, as well as subtitling of videos. UPS has received a great deal of positive feedback on the management training program from participants and trainers, particularly with regard to the video-based aspect of the program.

Despite the different approaches UPS has taken to implement compliance and ethics training, the overall initiative has maintained some common features. First, UPS has consistently placed importance on making materials as relevant as possible to employees and to trainers by translating the training materials. Second, UPS has demonstrated a commitment to continuous communication on compliance and ethics with employees and with trainers. Finally, management involvement has remained a key feature to the UPS compliance and ethics program, which has not only facilitated program implementation, but has also made managers a larger part of the overall compliance and ethics initiative.

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Information for this section was kindly provided by Ms. Anna Svärd Thompson, UPS Corporate Compliance Coordinator, during an interview with William Miller on 8 April 2003.

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portraits of business ethics training in both regions. ***Note that this article deliberately focuses on the outer edges of the European-U. S. training spectrum to highlight key differences. Because of this, the author cautions readers against making associations between the statements from ethics experts cited in this article, the organizations these experts represent, and the issue areas the article examines.***

In this article, *Europe* is defined as "Western Europe" and only companies headquartered in Western Europe have been included. It should, however, be noted that Italian or Spanish companies currently conducting ethics training could not be identified to offer perspectives on Southern Europe.

Finally, unique aspects of British approaches to business ethics and business ethics training make it difficult to place Britain squarely into either the European or the U.S. models. British ethics training consistently features elements of the European and the U.S. approaches and would appear to have a foot in both camps.

Training Objectives

The objectives of business ethics training can differ substantially between European and U.S. organizations. In European companies, training objectives typically include illumination of the company's and the individual's values while in the United States, the emphasis is on increasing knowledge about company standards and/or of related legal issues. Supplemental European training objectives might encompass providing a framework or detailed model for responsible decision-making. By contrast, secondary objectives in the United States typically involve enhancing understanding of corporate resources for seeking advice on ethics-related issues or for reporting suspected misconduct.

The overall message of European training could be characterized as "use *your* best judgment" (albeit judgment informed by the company's values and through decision-making models) as opposed to the message of American training, which can be summarized as "use *our* judgment" by consulting a code, policy, manager, or other company representative.

Yvan Biefnot, an executive responsible for international relations at the Cercle d'Ethique des Affaires and a researcher studying the differences between corporate ethics functions in Europe and in the United States, describes the U.S. approach as compliance-based. "Europeans tend to look for more humanistic values: they take it for granted that employees should follow the law. Ethics is seen as a separate subject."

The differentiation in training objectives between the two regions may also result from the unique legal environment of each region. The United States is highly litigious and if an employee's judgment turns out to be poor, a company and the employee could be subjected to legal fines and penalties costing tens of millions of dollars. Additionally, U.S. ethics and compliance programs have traditionally been driven by legal imperatives. Andrea Bonime-Blanc, the Chief Ethics and Compliance Officer for Bertelsmann (a German-based multinational media company), agrees. "Business ethics in the United States is more deeply rooted in the legal system – particularly the higher levels of litigation and the higher potential liability – which has led to an emphasis on legal compliance rather than ethics and the corporate value system."

However, Bonime-Blanc also thinks that a greater convergence between the two systems could be on the horizon. "Some of the current legal changes taking place in Europe as well as recent European corporate scandals could result in greater litigiousness. Increasing shareholder activism in Europe combined with European law firms becoming more proactive with class action lawsuits are changing perceptions. It will not occur overnight but it could happen over a period of time."

One objective that is often lacking from both the U.S. and the European approaches is the creation of an organizational culture that fosters and promotes ethical/responsible conduct: an objective particularly important to management training. Neither corporate policy/ law nor dated company values can fully counter the influence of the company culture on employee decision-making. Key corporate culture elements include:

- **The communications environment:** Do employees feel comfortable discussing issues or reporting concerns with their managers?

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- **Performance and reward systems:** Are numeric targets alone used to evaluate employee performance and levels of compensation or is the manner of achieving these targets examined as well?
- **Corporate messages:** Are corporate communications focused strictly on financial, bottom-line performance while neglecting to mention the values and standards of the company?

Managers need to understand how elements of the workplace environment either encourage, or inadvertently impede, responsible decision-making. Further, they need to have the requisite skills to manage these environmental factors properly.

Training Approaches
In the United States, ethics training tends to be highly scripted: content consistency is very important. U.S. companies often develop detailed manuals to document the ethics training. It is not unusual to enter a U.S. ethics officer's office to find shelves of training manuals that reflect each version of the company's training program. Some U.S. companies even distribute the training program as a self-contained video and more and more companies are adopting e-training as their principal medium for ethics training. Bonime-Blanc notes, "The U.S. focus on documenting ethics training is based heavily on the fact that the U.S. legal system requires documentary evidence to prove the existence of a compliance program in a litigation or government investigation or prosecution. This has led U.S. companies to develop and maintain records of training attendance, as well as copies of presentation materials."

In Europe, the overall approach to training is more informal and fluid. The training itself can differ depending on the particular group dynamics of each individual session. Written documentation for the training may only consist of an agenda, some case studies, and a few PowerPoint slides.

Biefnot believes that the distinctions between the European and the U.S. approaches go beyond ethics training. "In training in the United States, everything that the presenter needs to say is printed. My U.S. colleagues always had a binder with everything written in it, including jokes and funny remarks. While Europeans have a framework, they react more to the audience." Biefnot feels that some of these differences reflect the U.S. focus on preparation. "There is a higher degree of professionalism in American business and it is reflected in the fact that everything is well prepared and rehearsed. The downside is that there is not much room for personal initiative." While going by the book might tend to curtail personal initiative, the U.S. approach does fulfill two key objectives: providing consistency in training and documenting the training event.

The breadth of corporate training programs constitutes another difference between the European and U.S. approaches to ethics training. In the United States, some form of ethics training is typically conducted throughout all levels, functions, and locations of a company. In Europe, ethics training is likely to be limited to such high-risk groups as sales and marketing personnel or employees who interface with government officials and regulators. Ethics training in Europe may, in fact, be limited only to certain levels of management. According to Simon Webley, Research Director for the U.K.-based Institute of Business Ethics, "In Britain and Europe, there is a more targeted approach to ethics training. You do not see the same sort of sweeping ethics training programs that you do in the United States."

Both European and U.S. companies continue to grapple with one key issue: fusing the ethics training with other key company communications and programs. In both regions ethics training (even annual training) tends to be disconnected from ongoing, comprehensive company communications. The training takes the form of a one-off event. Most companies struggle, or do not even attempt, to find ways to continue the important dialogue that is initiated during ethics training sessions.

Role of Academia
Many European companies consult academics about developing their programs and university professors commonly conduct ethics training workshops for companies. The main association for ethics in Europe is the European Business Ethics Network whose membership is largely academic. At its annual conference, a majority of the speakers hail from universities. In the United States, companies are more likely to employ specialist consultants in business ethics or compliance lawyers to help develop or implement their business ethics programs. While academics were heavily involved in developing business ethics in the United States, the field has largely bifurcated into the practitioner side and the academic side. The most popular business ethics conferences for practitioners, e.g., the Ethics Officer

Association and Conference Board conferences, have few, if any, academics on their agendas. In contrast, the Society for Business Ethics' annual conference features many academics, but few, if any, business ethics practitioners.

Yvan Biefnot calls upon regional attitudes toward consultants and academics to explain this phenomenon, "The profession of consultant is not as highly regarded in Europe as it is in the United States. This attitude is changing in Europe, but European companies still look at consultants as people who are out to make money and who lack the necessary professionalism and skill sets. Academics are viewed as above average in trustworthiness." Another distinction according to Biefnot is that in Europe, more professors are consulting and they and their students have closer contact with industry. According to Simon Webley, the field of ethics consultancy is developing rapidly in Britain, but still lags behind the United States. He notes, "One sees more consultants on business ethics in Britain than in Europe. British companies turn more frequently to ethics consultants and NGOs than they do to the academic community."

Terminology

European companies rarely employ the term *ethics* in their training programs. In some languages, ethics has either a denotation or numerous connotations that render the term problematic for use in ethics training. In German, for example, *ethik* means something closer to "morals" or "morality." Biefnot explains, "In Europe they believe that ethics is the wrong term to use in connection with business – ethics refers more to personal values. You are more likely to hear talk of values or principles or corporate social responsibility."

In the United States, the word *ethics* is likely the most common descriptor associated with business ethics programs. In fact, U.S. corporate titles and functions (ethics officer, ethics office) have done much to institutionalize the term. This is not, however, to say that using the term *ethics* in U.S. locations cannot engender problems during a training session, e.g., confusion among ethics, business ethics, and morality. U.S. multinational companies are increasingly shying away from the term *ethics* in favor of such terms as *integrity* or *business practices*, which are more appropriate for cross-cultural use.

Training Tools

While lecture presentations often comprise a key element of U.S. business ethics training, they are even more common in Europe. U.S. training programs tend, for example, to use short, single paragraph case studies to illustrate salient points about a company's core policies. European ethics training generally makes use of longer case studies that might include elements of corporate social responsibility, e.g., environmental stewardship.

Another appreciable difference between ethics training in Europe and in the United States resides in the deployment of scenario questions. U.S. scenarios questions are typically designed to anticipate a right or wrong answer. The European case model more frequently calls upon open-end questions, for which no final determination as to the correctness of participant responses is anticipated. Biefnot notes, "In the United States, one cannot leave a question unanswered. There is always a good answer and a bad answer. However in Europe, questioning and debating are fundamental when it comes to ethics and you cannot have just one answer. You have different possible answers." Based on his assessment of the U.S. approach, Biefnot muses, "What happens when you are facing a situation where there is no precedent and no rule? Then you must be able to evaluate and judge for yourself what is right or wrong and what is good or bad and act accordingly."

Webley notes that open-end dialogue is also more desired in British ethics training. "It is not unusual to enter a training room in Britain without a set of company-approved responses to case studies or scenario questions. And participants can leave the session without coming to a consensus amongst the group on what is the correct response."

In the United States most companies provide resources to assist employees in resolving ethical and compliance dilemmas. Bonime-Blanc notes that "Every issue requires a case-by-case analysis and most problems are in the gray area. Under the U.S. compliance system, it is extremely important to provide employees with the appropriate resources to help them think through their issues." In fact, the goal of discussing ethics questions in the United States is often to allow employees to identify appropriate corporate resources, where guidance can be obtained or to which the issue can be escalated. The U.S. legal system has long encouraged the use of internal resources to provide for "whistleblowing" outlets internally and externally. The recently enacted Sarbanes-Oxley Act of 2002 only underscores this legal imperative. It is for this reason that most ethics training programs in the United States, unlike their European equivalents, spend much time describing and helping employees to understand corporate resources.

Web-based training (e-training) is becoming increasingly popular in the United States. The benefits of e-training for U.S. companies could include cost-effectiveness, consistency of content, an ability to focus on company policies and law, the identification of right versus wrong answers, and the ability to quantify and document employee levels of participation.

Transatlantic Perspectives on Business Ethics Training

(continued from page 11)

Because of the nature of business ethics training in Europe, e-training would not likely be appropriate for most European companies. It is not, therefore, surprising that fewer European companies have adopted an e-training approach to business ethics. Yvan Biefnot says, "Europe is always a little behind when it comes to technology. E-training is better than nothing and is more economical but you lose the ability to confront ideas and to exchange thinking. Effective business ethics training requires a forum."

U.S. companies are also more likely to incorporate video elements into their training programs, either to depict case studies or to articulate senior management support for the program. These types of videos are uncommon in Europe, with the exception of European multinationals with extensive, worldwide operations. The visible depiction of senior management support is critical in some regions, e.g., Asia.

An often overlooked training tool on both sides of the Atlantic is the role-play exercise. Role plays are critical to ensure that once employees select a course of action (whether due to company policy or using a decision model), they will know how to implement it. For example, it is one thing to know not to bribe, but it is an entirely different matter to know how to respond appropriately to a request for a bribe. Other issue areas that may lend themselves to role play include resisting pressure from superiors/colleagues and handling inappropriate requests from clients, regulators, or customers.

Conclusion

In this article, the author has sought to relate general trends in ethics training in Europe and in the United States. Neither the European nor the U.S. model of business ethics training should be regarded as better or optimal. Differing business environments, needs, cultural attitudes, and histories have helped shape the training approaches of companies in each region. Despite these differences, there is much to learn by examining the approaches to ethics on both sides of the Atlantic.

Today, corporate leaders – no matter where they are located – should keep an open mind when reviewing and evaluating their companies' approaches to business ethics and those of their counterparts overseas. Once a company has identified the goals and objectives of an ethics program and ethics training, it must determine which methodologies and tools will best support them. It is, perhaps, now in the best interest of companies – whether in Europe, the United States, or elsewhere – to look beyond what lay in their own backyards when considering what methods and tools to adopt to construct an effective ethics program.

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Lori Tansey Martens is President of the International Business Ethics Institute.

Organization Spotlight:

The Government Accountability Project

The Government Accountability Project (GAP) was established to protect the public interest by promoting government and corporate accountability through advancing occupational free speech and ethical conduct, defending whistleblowers, and empowering citizen activists. Founded in 1977, GAP is a non-profit, public interest organization and law firm that receives funding from foundations, individuals, and legal fees.

GAP is the leading proponent of whistleblower protections in the United States. It promotes government and corporate accountability by advocating occupational free speech, litigating whistleblower cases, publicizing whistleblower concerns, and developing policy and legal reforms of whistleblower laws.

GAP has been expanding its focus to include work in the international arena. Increased globalization of government and corporate power exponentially expands the impact of institutional wrongdoing on the environment, public health, and worker safety. Accountability achieved through expanded whistleblower protection becomes critical to checking abuses of power and corruption.

For more information about the programs and activities of GAP, contact:

Government Accountability Project
National Office
1612 K St. NW #400
Washington, DC. 20006 USA
Tel: 202.408.0034
Fax: 202.408.9855
E-mail: info@whistleblower.org
Web: www.whistleblower.org

Business Practices Training in Asia

quences of the recent corporate scandals in the United States.

Although the long-term impact of these developments is uncertain, these reforms are noteworthy. In some Asian countries, enforcement of anticorruption laws is noticeably absent or inconsistent and political figures have been known to circumvent or openly disregard governmental regulations. Professor Junheng Sun, an ethics scholar and the author of *Contemporary Business Ethics,* acknowledges that in Asia legal systems often lag behind market mechanisms, but continued progress is expected.

Ji-hyun Kim, a journalist with the *Korea Herald,* recently reported on a global business forum in Seoul, Korea. Kim notes, "According to a panel of domestic experts, most employees, and even CEOs, still feel uncomfortable at the mention of the word 'ethics' around the workplace. Still, the very idea that some companies are seeking to set down some form of rules to guide their employees in carrying out their duties in an ethical manner represents huge progress."

The ability of companies to establish formal business practices initiatives will largely depend on the availability of financial and staffing resources. Nevertheless, several organizations are planning and implementing initiatives, including business practices training programs. Western-based multinational companies have been the most aggressive proponents, with industry associations and large domestic companies following behind. Service-oriented and highly regulated industries, e.g., insurance and pharmaceutical industries, are also more likely to experiment with formal training programs. To date, there is no indication that the family-owned companies dominating business in Asia have initiated formal business practices programs.

Approaches to Business Practices Training in Asia

The litigious nature of American society, coupled with the existence of such U.S. legislation as the Federal Sentencing Guidelines, prompted many U.S. companies to implement formal business practices programs. Although the regulatory environment in many Asian countries is changing, the legislative impetus to implement business practices programs is not yet as compelling as in other countries. It is no surprise then that business practices training programs in Asia are in their formative years. Discussions with organizations in Asia reveal preliminary conclusions about approaches to business practices training in Asia, particularly with regard to training content, delivery, and format.

Training Content

Most business practices training programs in Asia provide a general introduction to the concept of business ethics and include an explanation of why the topic is important to the organization. This approach introduces a values-based ethics framework to employees, which may be supplemented with a discussion of specific company standards. This is an important first step because an organizational ethics initiative represents for many employees in Asia their first exposure to the Western concept of business ethics.

A few organizations are also beginning to offer issue-oriented training that has been designed for specific departments or functions. For example, sales representatives or procurement staff may receive specialized training on gift and entertainment guidelines because the nature of their positions poses a higher risk for misconduct.

Certain issue areas are more relevant for audiences in Asia than for those in Europe or the United States. According to Professor Iwao Taka of Reitaku University in Japan, some of the key issues discussed in Japan include such deceptive business practices as product mislabeling or violation of intellectual property rights. In Korea, Ji-hyun Kim acknowledges that training focuses on bribery and corruption, which are still considered to be the largest obstacles Korean companies face. Curtis Andrews, with Pfizer Pharmaceuticals in Korea, notes that gift and entertainment policies are also discussed in ethics training programs in Asia.

Conflicts of interest, common ethical issues by Western standards, are not yet widely discussed in training programs in Asia. One explanation for this exclusion is that many of the practices related to Asian business relationships reflect longstanding cultural traditions, which are considerably more difficult to interpret and to change. For example, the Chinese concept of leveraging *guanxi* (or 'special relationships') has been an historically accepted approach for facilitating favorable circumstances for organizations and individuals.

In order for issue-oriented programs to be effective in the long-term, companies need to analyze their areas of risk and customize training content to address those threats, rather than relying on static, company-wide presentations. To date, business practices training programs that have variable or customizable content appear to be the exception rather than the rule in Asia.

Business Practices Training in Asia (continued from page 13)

Training Delivery

Companies in Asia are currently experimenting with at least three different resources to deliver business ethics training to their employee populations: senior management, external specialists, or departmental staff, e.g., human resources representatives or legal personnel.

Since seniority and experience are extremely important in Asian cultures, senior managers often deliver training within companies in Asia. Yet, the manager's previous business practices training may only consist of attending a corporate training program or an ethics-related association event, e.g., a seminar on ethical sourcing. Nevertheless, having senior managers conduct the ethics training provides visible support for the ethics initiative.

Some Asian companies choose to hire an outside specialist to deliver employee training instead of relying on corporate management. In these cases, the specialist may conduct topic-specific training for a particular audience, e.g., accounting reforms for the finance department. The available talent pool for subject-matter experts varies significantly by topic. For example, it is considerably easier to identify an expert to address finance reforms than to locate a generalist with practical experience in resolving conflicts of interest. Presented in combination with management training, the topic-specific sessions can be a viable alternative.

Training Format

The format of business practices training programs in Asia can differ noticeably from that of programs implemented in many Western companies. These variations may be largely attributed to cultural differences. Most business practices training in Asia is presented in lecture format with limited opportunities for the audience to interact with the presenter. In some cases, training consists of a company director introducing the code of conduct and discussing individual code elements in detail. This approach is consistent with the educational systems in Asia, which stress rote memorization, reverence to the teacher, and measurable skill acquisition.

Asian cultures also tend to use abstract business concepts to illustrate an idea, whereas a Western approach would more likely offer concrete examples to demonstrate a point. For example, when discussing whether or not it is appropriate to accept gifts from suppliers, training in Asia might focus on maintaining harmony with the supplier. Conversely, training in the United States might emphasize that two tickets to a Yankees game are acceptable, but two tickets to the World Series are not.

Case study and scenario discussions, which are common elements in Western programs, are not as widely integrated into training programs in Asia. One explanation is that Asian educational systems have not historically emphasized or encouraged creative problem-solving. Therefore, it may be less natural for employees in Asia to grasp the rationale behind these exercises, which concentrate on specifics and not abstractions.

Strategies to Improve Training Effectiveness in Asia

Since business ethics is a completely new concept for most employees in Asia, companies are likely to encounter several challenges when planning and implementing training programs. Ji-hyun Kim notes, "Companies themselves concede that they need to figure out how to more effectively present training to their employees." Listed below are some of the challenges companies may encounter, as well as recommended strategies to optimize training effectiveness.

Facilitating Employees' Understanding

Some employees in Asia admit that after participating in ethics training they are still unsure of their role and how their behavior should change. Without the appropriate context, they may resist attempts to alter historically accepted business practices. Therefore, a company's initial efforts should focus on developing a comprehensive communications strategy that will facilitate employees' understanding of the concept of business ethics.

To accomplish this objective, companies can increase the frequency of communications pertaining to business ethics and vary the medium through which the communication is delivered. For example, companies can incorporate references to responsible business conduct in company newsletters, messages from the president or other senior executives, departmental staff meetings, external press releases, and so on. This integrated communications approach will eventually increase employees' comfort level with the concept. It may also be useful to explain the concept of business ethics in terms of specific costs and benefits to employees and to the organization. For example, Michel Campeanu, representative director of Allianz First Life in Seoul, recommends teaching employees to "understand, imagine, compare, and then decide," which is an entirely new approach to decision-

making for many employees in Asia.† When employees are encouraged to consider the consequences of their actions, their decision-making process will gradually become more introspective and they may become less inclined to make decisions just because "this is the way it is done here."

Tailoring the Message to the Audience
Organizations should not blindly import a business ethics training program created for another region. Instead, they should adapt materials for use in every region to ensure that the training is as relevant as possible to participants. Cultural characteristics, in particular, should not be neglected. For example, to increase the effectiveness of training programs in Asia, companies should integrate traditional philosophical concepts (Buddhism, Confucianism, etc.) into the program content. Likewise, companies should acknowledge the roles that personal connections (*guanxi*) and 'face' or respect (*mianzi*) play by helping employees understand how to manage business relationships appropriately.

Whenever possible, companies should assess the local business environment to identify and address the highest risk factors for their organizations. This will enhance the effectiveness of business ethics training by ensuring that program content addresses the risks that are relevant to a specific audience. Some of the critical issues to discuss in Asia may include gifts and entertainment guidelines, intellectual property considerations, and conflicts of interest.

Finally, all training materials should be translated into appropriate local languages or language variations. For example, some companies translate materials into simplified and complex Chinese characters to address the language differences between Mainland China and Taiwan. Translating materials into multiple languages can be costly, but it is essential to communicate expectations to employees in their own languages. The availability of in-language materials for all employees also sends a strong message about the commitment of the organization to the initiative. Expert translation assistance should be procured to ensure that accuracy and integrity of the materials will not be lost during the translation process.

Encouraging Responsible Conduct
Visible management support for a business practices initiative is an acknowledged best practice for an effective business ethics program. It is even more important for the leader of the organization to endorse his (or her, occasionally) commitment by modeling responsible decision-making. Employees reluctantly admit that the actions of management do not always fully support managers' oral assertions. This can create a dilemma for employees whose loyalty to authority may be stronger than their loyalty to company standards.

Companies may encourage more accountable decision-making by clarifying individual responsibilities at all levels of the organization. Curtis Andrews recommends that training programs in Asia explicitly detail unacceptable practices and explain the consequences to employees. Once employees have a firm understanding of individual accountability, e.g., "who owns what," a group-led system of ethical enforcement can be progressively implemented.†† A group-oriented approach could include committee-based reviews of questionable conduct and team-based incentives to encourage responsible decision-making. Gradually, employees' loyalty to the future success of their company may outweigh their individual loyalties to superiors.

A more difficult challenge, perhaps, is to foster individual accountability among senior managers of the organization, whose decision-making may be compromised by such external pressures as political influence or personal enterprise. Ji-hyun Kim contends that corruption by people in power will continue to exist until the connections (i.e., the conflicts of interest) between business and political circles are eliminated. Countries throughout the world appreciate the magnitude of this challenge. One hopes that the increased global attention on corporate responsibility will continue to fuel corporate governance reforms worldwide.

Incorporating Feedback Mechanisms
Business practices programs have a greater likelihood of long-term success if they incorporate a means for employees to share their comments and concerns with the organization. Programs in Asia seldom include feedback mechanisms, which would enable employees to communicate their concerns to the organization and the organization to assess the effectiveness of its ethics program. One explanation for the absence of feedback mechanisms in Asia may be because any recommendation for improvement could cause the facilitator to lose face by suggesting that he/she was in some way deficient. Likewise, unless the facilitator encourages a frank and open discussion, which is difficult in Asian cultures where employees are taught unquestioning respect for authority, questions may remain unanswered and observations of misconduct may go unreported. This is one of the biggest

challenges for business practices programs in Asia, where cultural norms divide employee loyalties among family, superiors, and the organization.

Merck & Co., Inc. addressed this challenge by anonymously soliciting employee feedback during business practices training workshops conducted by an independent organization. After reviewing the employees' comments and questions, management publicly distributed a regional report that summarized the company's responses to employees' questions. On several occasions, for example, employees asked for clarification about the company's policy on gifts and entertainment. In response, Merck's Office of Ethics worked with local legal counsel to develop country-specific examples of appropriate gifts and entertainment. The Office of Ethics also provided additional training materials for supervisors to manage potential conflicts of interest. This approach enabled Merck to respond to an organizational risk area without causing an individual employee to lose face.

Additional Resources

In the early 1990s, companies in Asia had limited access to educational resources or practical examples that could have assisted their efforts to establish a business practices training program. Today, resources and materials are widely available.

In the best case scenario, organizations can seek advice and guidance from local companies that have already implemented successful training programs. In the case of multinational corporations, local operations may have access to corporate business practices materials, which can be adapted to fit the needs of the local culture. By capitalizing on existing experiences and resources, organizations save time and money and they can avoid making mistakes that could compromise training effectiveness.

Some companies in Asia turn to local ethics organizations and universities for program leadership. For example, Rita Liaw, executive director of the Hong Kong Ethics Development Centre (HKEDC), which was established under the auspices of the Independent Commission Against Corruption, says that the HKEDC offers ethics advisory services to local companies and trade/professional associations. Among its responsibilities, the HKEDC conducts customized workshops and develops training videos and e-learning tools for various trades and professions in Hong Kong.

According to Iwao Taka, an increasing number of companies in Japan have been utilizing such outside resources as model codes of conduct and management system standards to develop their internal control systems and ethical training programs. He notes that in 1999, the Business Ethics and Compliance Research Center at Reitaku University issued the ECS2000 (Ethics Compliance Management Systems Standard). In 2002, the Cabinet Office of the Government of Japan published model codes of conduct and the Ministry of Economy, Trade and Industry will soon disclose guidelines for internal control systems.

Finally, the Internet hosts a wealth of publicly available information, albeit information in multiple languages is still limited. The websites of ethics associations, non-profit organizations, and individual companies regularly include sample program materials, which can be tailored to address the needs of local audiences.

Conclusion

While some companies in Asia are actively developing and implementing ethics training programs, business practices initiatives remain an evolving phenomenon in Asia. The strategies outlined in this article may assist organizations to enhance the effectiveness of their business practices training programs in Asia, particularly if companies are creative, culturally sensitive, and committed. So far, many companies in Asia model their ethics efforts on Western experiences, but future training initiatives may well unite Eastern and Western approaches. In the Japanese spirit of *kaizen* (or continuous improvement), perhaps Western companies will soon be adopting or adapting some business ethics training practices from their colleagues in the East.

† and †† Michel Campeanu, "Employee Training in Korea," *Korea Herald*, 18 Oct. 2001.
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Amber Kelleher is Manager of Institutional Programs for the International Business Ethics Institute.

Global Roundup

Recent activities and efforts in the field of business ethics from around the world.

Africa: The New Partnership for African Development, which consists of Algeria, Nigeria, Senegal and South Africa, has pledged to spread good governance throughout Africa. Because the new plan was generated within Africa, and not issued from a foreign body, leaders hope that it will be more successful than previous efforts to improve African governance standards. (Hoovers Online)

Australia: The Australian Stock Exchange (ASX) mandated that as of 1 January 2003, companies must comply with the corporate governance best practices as outlined in their listing requirements. ASX listed companies must include any deviations from the guidelines and the reasons for those deviations in their annual reports. (*Sunday Age*)

Bangladesh: The Bangladeshi Government has taken the first steps toward creating an independent, anticorruption commission with the authority to investigate anyone accused of corruption. This action follows the promises the government made during the 2001 election. Transparency International gave Bangladesh a corruption perception index of 1.2/10, the lowest score of the 102 countries surveyed. (BBC News)

Global: Ten major banks representing 30% of the international financing market have adopted the "Equator Principles," a set of guidelines that will prohibit them from lending money to environmentally insensitive projects. (*Oil and Gas Investor*)

Hong Kong: Hong Kong has decided to join the ADB-OECD Anti-Corruption Action Plan for the Asia-Pacific region. This agreement is the first time that Hong Kong has ever been involved in a regional anticorruption program. The Action Plan is a joint project between the Asian Development Bank and the OECD and is designed to aid countries in the region to formulate and implement anticorruption strategies. (ICAC)

India: Prime Minister Vajpayee demanded better corporate governance to increase investor confidence in the Indian markets. A report from a special commission investigating corruption in India determined that inappropriate behavior went beyond corporate boards to include the exchanges, the central bank, the finance ministry, and the Securities and Exchange Board of India. (*Financial Times*)

Japan: In response to recent scandals, the Japanese Ministry of Economy Trade and Industry is forming a working group that will propose rules to the International Standard Organization's corporate social responsibility project. (Ethical Corporation Online)

Kenya: In response to World Bank and IMF requests, the Kenyan government has taken significant steps to combat corruption. Two bills are currently being discussed: the Public Officer Ethics Bill and the Anti-Corruption and Economic Crimes Bill. These two bills will combine to criminalize bribery and increase transparency in government transactions. (BBC News)

Philippines: Governor Rafael Carlos B. Buenaventura of the Philippine Central Bank issued a proposal to enhance governance and increase transparency within the Philippine banking system. A representative from the World Bank hailed this as a first step toward ensuring future financial assistance. (BVOM.com)

Russia: In March, the Russian government created the National Council for Corporate Governance (NGCC), which was formed to reassure skeptical investors that Russia is fully committed to improving corporate governance. In reaction to this and other improvements, the S&P 500's Corporate Governance Rating Service reported that governance is improving in Russia, but warned that too many corporations act in the short-term interests of their shareholders and limit transparency. (Pravda)

South Africa: President Thabo Mbeki has announced that South Africa will not honor any judgments against foreign companies that may have benefited from apartheid. The South African government recently announced its full reparations plan and wishes to increase foreign investment in South Africa. (*AllAfrica*)

United States: A controversial SEC plan to force corporate lawyers to infringe upon attorney client privilege is facing stiff opposition from many lawyers and legal ethicists. The SEC wants to mandate that lawyers who uncover any illegal activity must resign their positions if their companies refuse to remedy the situation. Although there is no express

Institute News

James B. Wigle Fellowship Awarded

It is with deep regret that the International Business Ethics Institute announces the passing of Mr. James B. Wigle, founding Chairman of its Board of Directors. In recognition of his longtime contributions to the organization, the Institute has established The James B. Wigle Fellowship.

The Wigle Fellowship is a paid internship and is open to graduate students with active interests in the fields of business ethics and corporate responsibility. Fellow candidates must be enrolled at universities within the greater Washington, DC area or enrolled at U.S. or international accredited universities, but pursuing educational opportunities in Washington, DC. The Wigle Fellowship is intended to inculcate within the successful candidate an appreciation of the importance of global business ethics. It is also meant to demonstrate how business ethics and corporate social responsibility can have positive repercussions in a broader context by influencing society, particularly in emerging-economy locations.

On June 13, 2003, the Institute awarded the 2003-2004 James B. Wigle Fellowship in International Business Ethics to Mr. Hector Tiongson. Mr. Tiongson recently received his Master of Arts degree with special emphasis on International Business and Corporate Social Responsibility from Georgetown University. He will be continuing his studies at Georgetown University during his fellowship with the Institute. Mr. Tiongson received his undergraduate degree at Ateneo de Manila University (Quezon City, Philippines), where he initiated his graduate studies.

When asked how the Wigle Fellowship might assist with his educational and career plans, Mr. Tiongson stated:

> The Master's in Liberal Studies opened new doors for me – corporate social responsibility and international business. I am eager to find out more about these disciplines. The Wigle Fellowship will breathe life into my graduate program, specifically by providing opportunities to become immersed in international business ethics and be exposed to qualitative and quantitative ethics research. IBEI has the experience, expertise, and resources in these fields.

Recent Contributors to the Institute

The Institute wishes to thank the following individuals and organizations for the generous contributions they made to the Institute since the last issue of the *International Business Ethics Review*. We greatly appreciate your continued kindness and support of the Institute's mission and goals.

Boeing	Mr. Ashton LeBourgeois
Mr. Rick Bosl	The Lubrizol Corporation
Dr. Philip Dubois	Mr. Joseph Mathews
The Education Trust, Inc.	Mr. and Mrs. C. Doyle Miller
Thomas Hardiman, Esq.	Mr. William Miller
Mr. Daniel Karslake	The Rogers Group

Phase I of Institute Web Project Complete

The International Business Ethics Institute is pleased to announce the completion of the first phase of its Web expansion project. Phase I of the expansion project encompasses, among other changes, a greatly expanded public education section, a completely revised professional services listing, and development of such online resources as a business ethics primer, news room, and links area. The Institute encourages visitors to explore the changes brought about by this phase of the Web project. Institute staff will be working to continuously improve and expand the website.

Martens Selected as Essayist for Boeing's *Forever New Frontiers* Radio Series

Ms. Lori Tansey Martens, Institute President, was invited to participate in *Forever New Frontiers,* a radio essay program presented by The Boeing Company. "The radio program is a unique two-minute forum, providing a diversity of views from the most influential thinkers of our time."

Essayists have been selected from academia, the arts, athletics, government, and science in an effort to represent the broadest possible spectrum of opinion. Previous essayists include Ms. Jackie Joyner-Kersee (Athlete), Mr. Leonard Slatkin (Music Director, National Symphony Orchestra), and Billy Collins (Poet Laureate of the United States).

In recognition of Ms. Tansey Martens' selection, Boeing has graciously made a $5,000 contribution to the International Business Ethics Institute. Information on *Forever New Frontiers* and a transcript of Ms. Tansey Martens' essay is available at http://www.boeing.com/companyoffices/aboutus/advertising/radiospot/.

Institute Internship Program

As part of its initiative to educate the public on matters related to corporate and social responsibility, the Institute regularly sponsors interns. Current Institute interns are:

Natalie Bailey (Summer 2003)
Ms. Natalie Bailey is a graduate student at the H. John Heinz III School of Public Policy and Management at Carnegie Mellon University, where she studies Policy Analysis and Management. She earned her B.A. degree in English from Salem College in Winston-Salem, North Carolina. During her first year at the Heinz School, Ms. Bailey examined the role of ethics in the creation and implementation of public policy. While at the Institute, Ms. Bailey will explore the scope and use of codes of conduct in small to medium-sized enterprises (SMEs), including an assessment of business practices issues unique to SMEs. Upon graduation in May 2004, Ms. Bailey hopes to pursue a career in public service.

Andrew Hodgetts (Summer 2003)
Mr. Andrew Hodgetts is currently an undergraduate student at Indiana University, where he is pursuing a Bachelor's degree in Business with concentrations in Accounting, Finance, and Business Law. Mr. Hodgetts sought an internship with the Institute because of his interest in corporate business ethics. As part of his summer development plan, Mr. Hodgetts will be working extensively on the Institute's Global Code Project: a study on how companies around the world are making use of their code documents. Mr. Hodgetts will be assisting the Director of Public Education with the comprehensive code analyses required for this project. Upon graduation in May 2004, Mr. Hodgetts plans to enter law school to study corporate law.

Case Kim (April 2003-April 2004)
Mr. Case Kim is currently an undergraduate student at Kyung-Pook National University (South Korea), where he is studying Business Administration. He is a participant in the Washington Internship Program and will be working with the Institute as an intern for one year. Mr. Kim is interested in the management aspects of implementing a corporate business ethics program. While at the Institute, he will be working on numerous projects, including the Global Codes and the Public/Private Initiatives Projects. Upon graduation in February of 2005, he plans to pursue a career in foreign trade.

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IN THIS ISSUE...	CONSIDERATIONS ON BUSINESS ETHICS TRAINING
IN THE NEXT ISSUE OF THE *REVIEW*	THE STATUS OF BUSINESS ETHICS IN AFRICA ANTICIPATED RELEASE - NOVEMBER 2003