INDUCTION AS A TOOL TO INSTITUTIONALISE ORGANISATIONAL ETHICS

by

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Abstract

Ethics is becoming important in organisations today as organisations strive to create strong ethics cultures. There are different ways in which ethics can be conveyed to employees. This dissertation was aimed at establishing whether induction is an appropriate vehicle to convey organisational ethics to employees, and if so, how it could ideally be utilised.

To seek an answer to the research question posed above, a literature study that explored the themes of business ethics and induction was firstly conducted. Thereafter, from a qualitative research paradigm, personal, in-depth interviews were conducted with human resources managers, line managers and new employees who attended a company’s induction programme. The responses were coded, analysed and significant themes were extracted. It was found that induction is indeed a useful vehicle to contribute to the institutionalisation of organisational ethics. Induction should, however, be used in conjunction with other interventions should the organisation aspire to creating an ethics culture over time. Implications of the findings for managerial tertiary education were indicated. Recommendations for further research into the topic were also presented.
Chapter 1: Introduction

1.1 Background

Ethics is becoming an openly discussed subject, be it in organisations or even in society. Of late more research is being done and organisations are developing websites to facilitate the awareness of ethics, business conduct and codes of ethics. Organisations want society to trust them in business dealings. Many companies emphasise how ethics has become an integral part of their business. Educational institutions are also taking an interest by offering business ethics as a subject. Jobseekers are nowadays looking for those companies that emphasise ethics. According to Nelson and Trevino (1999), business organisations vary from the highly ethical to the highly unethical while business people vary as well.

According to Hartman (2002) organisations are responsible to multiple stakeholders: customers, employees, trade unions, suppliers, the government and the community who has a stake in what the organisation does and how it performs. These stakeholders often have the power to interfere with a firm’s autonomy and economic freedom. For example, employees can strike, customers can boycott products and the government can pass laws and regulate the firm’s activities. As a result, questions arise on how ethical organisations are. These questions may include the following: Are executive compensation plans fair and equitable? Should employees blow whistles on their employers? Should employees accept gifts from suppliers? Should relatives of employees be hired to provide an important service to the company?

The good faith of the public is an often-underrated factor in corporate success. Happy employees are as essential to a successful business as satisfied customers are. A contented workforce projects a positive corporate image. Upbeat employee attitudes are carried over into their dealings with the public.
They provide better service and are more considerate, attentive, and responsive to their clients' needs. A well-served customer is a loyal customer, returning to the same company time and time again. Many companies realise that doing business ethically makes for better business.

1.2 Problem formulation

The increasing need for business ethics in organisations has led to a concern of how organisation's stances and policies on ethics can be conveyed to employees. Organisations continuously find themselves evaluating what resources or tools can be used to educate their employees. The major problem is the manner in which organisations convey the ethics message.

This dissertation aims to make a contribution towards educating organisations on how to convey business ethics effectively to employees. The main problems and issues to be addressed in this study are formulated in the research questions, which will be discussed later in this chapter.

1.3 Ethical problems of organisations

There has been an increased concern in recent years over the state of business ethics. According to Nelson and Trevino (1999), the media has responded to the public's concern about business ethics by providing more coverage of ethical lapses by organisations. Some of the ethical problems include fraud, conflict of interest, misuse of corporate resources, discrimination, harassment, bribes and many more. Some of these as mentioned in Hartman (2002), started as small issues until mismanagement, denial or other more malevolent motives caused these seemingly minor situations to mushroom into huge legal, ethical and public relations nightmares.
The above are all ethical issues because they involve ethical obligations of organisations to primary or key stakeholder groups. Shareholders, consumers, employees and the community are probably the major constituencies of most business organisations. According to the King II Report (IoD, 2002) these ethical obligations all involve fairness, accountability, responsibility and transparency to these four main stakeholders of most organisations.

The employees are one of the key stakeholder groups in any corporate situation. Organisations have a myriad of ethical obligations to their employees. Some of these could include the right to privacy, the right not to be fired without just cause, the right to a safe workplace, the right to due process and fair treatment, the right to freedom of speech and the right to work in an environment that is free of bias.

Organisations also have a clear ethical obligation to shareholders and other owners. This ethical obligation includes serving the interest of owners and trying to perform well, not only in the short term, but also over the long term. It also means not engaging in activities that could put the organisation out of business or making short term decisions that might harm the company’s future health.

1.4 The importance of ethics

Cultural values and norms may differ among individuals, varying from Western notions of individualism to African notions of participation and inclusiveness. According to Tierney (1996), values, quality and excellence are all considered international business issues. Ethics is an integral part of each of them. Therefore, what is important is that the development of ethical standards be viewed as a benefit to the way business is done, in other words not as a hindrance or a threat to success.
According to Rossouw and Van Vuuren (2004), many have come to recognise that business ethics is not a “nice to have” but rather a strategic imperative. This viewpoint is the result of ethical problems experienced by organisations. Instead of debating the point that business and ethics cannot mix, as mentioned in Madsen and Shafritz (1990) ethically aware corporate leaders continuously and actively endeavour to find optimal ways of creating ethical organisational cultures. It is important for organisations to know what kinds of values they want to instil in the workplace. According to Tierney (1996), ethics should be considered as an essential fact of life in business. Many companies have yet to deal with the elusive issues of ethics. Fairness, honesty, integrity, doing the right thing, taking responsibility and openness are as important to the success of the business as they are to individuals. Managers play an important role in instilling these concepts and ensuring that business is done ethically. If there is trust among employees and managers, it may be easier for them to open up to each other. Mistrust leads to fear and limited risk-taking. If there is honesty then information will be shared even if it is negative. If responsibility is felt towards employees, managers, the company, and the community, respect will be earned and difficulties or confrontations with stakeholders will consequently be avoided.

1.5 Corporate Governance

Because of the problems experienced by different worldwide companies as mentioned earlier, there is a need for good corporate governance and ethical behaviour to influence employees positively in making a difference in the workplace. This is in line with the recommendation in the King II Report on Corporate Governance (IoD, 2002). There is a close link between corporate governance and ethics. According to Rossouw (2002), the moral nature of corporate governance lies in its intention to guard the interests of those who have committed themselves in some way to the well-being and growth of the corporation. Many organisations strive to ensure economic, social, technical and environmental sustainability for their business. Corporate governance is
concerned with structures and processes for decision-making, accountability, control and behaviour. This relation begins at the top level of the organisation, setting the tone for conduct from the very top right down to the lowest level.

While prescriptive measures are necessary, at least to define desirable and undesirable forms of behaviour, the challenge for companies remains to take the moral initiative. By its very nature, as quoted in the King II Report (IoD, 2002), corporate governance has an ethical dimension that can be viewed as the moral obligation for directors to take care of the interests of investors and other stakeholders. Company standards and procedures usually find expression in a company’s specific code of conduct or statement of business principles, or code of ethics or such similar document. Successful codes are those that take into account not just company-specific issues, but recognise industry, national and international best practice. Companies use code of ethics to promote ethical behaviour. A code of ethics is a document or agreement that stipulates morally acceptable behaviour within an organisation. It defines the moral standards or guidelines that need to be respected by all members of an organisation in their decisions and actions.

1.6 Defining business ethics

Countless definitions concerning business ethics can be found in various publications, including the King II Report, IoD (2002), Madsen and Shafritz (1990), Rossouw (2002), Nelson and Trevino (1999), Van Vuuren (2002) and many more. A more detailed explanation on business ethics will be provided in Chapter 2 of this dissertation. For the purpose of this dissertation the definition from Rossouw (2002) will be used which clarifies that business ethics concerns itself with what is good or right in human interaction. It involves considering the good, self and other as applied to economic activity. The reason for using this definition is because the concern is not only for self but also for others. Human interaction will always be part of organisations. When doing a
business transaction, individuals should not only think of themselves but also of others. In doing so they will strive to always do good or do the right thing. This will foster an ethical culture in the organisation.

1.7 Conveying ethical values to employees

Organisations can convey ethics by using different tools, which can include communication systems consisting of Websites, newsletters/magazines, booklets, ethics talk, ethics helplines etc. It will also involve recruitment, which will consist of selection and reference checking. Another tool that can be used is training, which will consist of awareness programmes. Induction can also be used as a tool to convey business ethics. Some of these systems will not necessarily be suitable or effective for all companies. Which system to use will depend entirely on the nature of the organisation. All of these tools will be discussed in more detail in Chapter 2. The tool that will be researched for the purpose of this paper will be induction. Induction is used as a process to receive and welcome new employees when they first join the organisation by giving them basic information so that they become effective in their work. According to Armstrong (1982) this is the right time to introduce ethics and values of the organisation.

Talking about ethics requires an intensive and formal induction programme (Gerber, Nel & Van Dyk, 1996). It is important that induction be conducted as employees join the company. Induction that is conducted weeks after employees have joined the organisation has been proven to be ineffective and a waste of time and resources. Accountabilities for the quality and success of induction rest foremost with line management in most companies (Meyer, 1999).

It is important to ensure that new employees as mentioned in Grobler, Warnich, Carrell, Elbert and Hatfield (2002), not only understand the way the organisation and their jobs are organised, but also that they embody the culture of the
organisation. Induction needs to provide a certain amount of realism about mutual expectations. Research has shown that inadequate induction correlates highly with the number of employees resigning from organisations soon after joining (Robertson & Schlegelmilch, 1993; Trevino, 1990). Even if there had been little emphasis on ethics during recruitment and selection, the orientation or induction of new employees may be a particularly powerful intervention to create a timely ethical awareness amongst newcomers.

The question and purpose of this dissertation is therefore to find out how induction may be used as a tool to convey business ethics.

1.8 Research questions and research goal

As mentioned in the previous section, many tools are available to convey ethics in organisations. The main question of this dissertation will explore whether induction is the right tool to convey ethics. It will answer the following question: How can induction be used to convey business ethics?

The following sub-questions will be used to answer the above question.
1. What is business ethics?
2. Why is it important?
3. What do companies want to achieve with business ethics?
4. How do companies convey the ethics message?
5. What is induction?
6. Why is it important?
7. How can induction be used to convey the ethics message?

Assuming that induction can be used as a tool to convey ethics, the goal of this dissertation is to establish how induction can be used to convey ethics in the workplace.
1.9 Approach

The following section will discuss how the research will be done. The issues of discussion will be around the contents of the different chapters.

1.9.1 Literature study

Chapter 1 serves as an introduction where an outline is provided on how the research project will unfold. Chapter 2 is devoted to business ethics. It will focus on providing a detailed description of the importance of ethics in organisations and how they affect all the major stakeholders. This chapter will be used to answer research sub-questions 1, 2, 3 and 4. Chapter 3 will focus on what induction is and how it can be used to convey ethics. This will attempt to answer research sub-questions 5 and 6.

1.9.2 Empirical study

In this dissertation qualitative research will be used since a qualitative research approach allows the researcher to interact with people. In Chapter 4 the research methodology will be provided to focus on interviews as a tool to gather data for the purpose of conducting this research study. The interviews will be conducted individually and all the participants will be asked the same questions in order to ensure validity. This will answer sub-question 7. The population sample will include human resource managers, line managers and new employees. For the purpose of this dissertation semi-structured interviews will be used.

The interviews may provide answers to the research sub-questions, in terms of ascertaining whether induction is a useful tool to convey ethics in the workplace. A number of questions (about six or seven) will be formulated and asked to the population sample as indicated above. Responses will be recorded in order to
make an analysis that will be used in the results of the study. Different perspectives from different stakeholders who will be included in the population sample as mentioned above, may provide an indication on the importance of ethics in business and on how it should be introduced by means of induction. In Chapter 5 the results of the study will be discussed. In Chapter 6 the dissertation will be concluded by integrating the findings and providing recommendations.

1.10 Preview of the contents

The previous section described the focus of the different chapters. The following table outlines how these chapters will be used to answer the research questions.

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Chapter 2: Business Ethics

2.1 Introduction

In this chapter an attempt will be made to answer sub-questions 1, 2, 3 and 4, which are: What is business ethics? Why is it important? What do companies want to achieve with business ethics and How do companies convey the ethics message? The importance of business ethics will also be discussed using corporate governance as a frame of reference. In addition, some of the most common ethical problems faced by organisations will be discussed. Corporate governance is being used in most organisations to try and find solutions for some of the ethical problems. Therefore, the whole question of what companies want to achieve with business ethics will be discussed as well. Different systems will be examined, such as codes of ethics and communication systems to help organisations to convey business ethics effectively to their employees.

2.2 The nature and importance of business ethics

In this section business ethics will be defined. Other issues that will also be discussed in this section include ethical values, integrity and ethical dilemmas.

2.2.1 Formally defining business ethics

According to Rossouw (2002) ethics concerns itself with what is good or right in human interaction. It involves considering the good, self or other applied to economic activity. According to the King II Report a company’s ethics refers to the principles, norms and standards that it promotes for the guidance and conduct of its activities, internal relations and interactions with external stakeholders, in accordance with established values (IoD, 2002). Thus, ethical
business conduct means that a company’s stakeholders – most notably its staff – adhere to defined standards of behaviour in all their business decisions and actions (IoD, 2002).

As mentioned in Hartman (2002) and Nelson and Trevino (1999) ethics can also be defined as principles, norms and standards of conduct governing an individual or group. They further state that business ethics is about identifying and implementing standards of conduct that will ensure that at a minimum level, business does not detrimentally impact on the interests of its stakeholders. At an optimum level, business ethics is about standards of behavior that will enhance the interest of all who are affected by business.

Ethics is about accomplishing preferred behaviours in the workplace by knowing organisations’ values and ethical principles and working by them (Tierney, 1996). Harrison (2002) defines business ethics as an attempt to ascertain the responsibilities and ethical obligations of business professionals.

Business ethics can be defined as a multidimensional field that evades a one-dimensional definition (Madsen & Shafritz, 1990). It is a discipline that addresses numerous issues, problems and dilemmas, and it does so from a variety of perspectives and methodologies. Issues such as corporate social responsibility, employee rights, whistle blowing, ethical business conduct, business and the environment, the obligations of multinational corporations and so on, are constantly recurring themes. In short, these are the essentials of business ethics.

The working definition to be used for the purpose of this dissertation will be the one of Rossouw as it includes doing what is good. Furthermore, it does not only concentrate on what is good for oneself, but what is also good for others.
It is important to include all three concepts: good, self and other in the definition of ethics because if one concept is neglected the definition of ethics will not be complete. The reason for using the Rossouw’s definition is that different authors mention relevant issues as recurring themes. These issues include principles, norms, standards of conduct, preferred behaviour, business conduct, and corporate social responsibility. The survival of most organisations depends on employees doing the right thing continuously and consistently. It further depends on employees making decisions that will benefit others as well and not only themselves.

2.2.2 Ethical values, integrity and ethical dilemmas

Business ethics can also be related to values and integrity. Values can be defined as relative stable convictions about what is good and desirable (Rossouw & Van Vuuren, 2004). Ethics and values are not identical although there is a link. As mentioned in Rossouw and Van Vuuren (2004) and Vallance (1996), ethical values include respect, fairness, honesty, justice, decency and transparency. Ethical values, according to Fritzsche (1997) are prescriptive beliefs about what is right and wrong. According to Vallance (1996) values need to be communicated if they are to have any significant impact on the operation of the business. She further argues that values need to be endorsed and publicly supported by the board, government entities and corporations. Another way to make values effective is to ensure that they are short and easy to remember.
This might facilitate the process of easy application on a daily basis. Values need not end up on bulletin boards but must become part of the organisational culture. According to Nelson and Trevino (1999), values must guide decision-making on a regular basis.

For organisations to succeed in their endeavour to create an ethical culture many researchers agree that values must be put in practice. In order for this goal to be achieved the researchers further argue that all the employees must display the values when they are doing business inside and outside the organisation. For example, if integrity is one of the values of a particular organisation, then employees will be expected to live up to this value when they conduct business with all their customers. This will prove that values are not meaningless but part of how the business is to be conducted in the organisation. This will ensure credibility to the organisation.

According to Rossouw and Van Vuuren (2004) integrity is related to ethics and occurs when a person adheres consistently to a set of ethical standards. Approaches to making ethics explicit in order to create and maintain a high integrity culture are still being developed. There is thus no one best way. The structures and processes that work best for one organisation may be inappropriate for another.

Rossouw and Van Vuuren (2004) state that ethical dilemmas arise when the division between what is ethically right and wrong gets blurred. There are times when people in organisations are uncertain of whether a certain action is right or wrong. An example is when a supplier offers its customers a gift. To some individuals taking the gift can be wrong while others may regard it as correct. As mentioned in Nelson and Trevino (1999) organisations need to identify the kinds of issues and dilemmas that might be unique to their particular industry. What might be a dilemma in one organisation, may not be a dilemma in another. For example, a financial department will face a dilemma in terms of misused or
missing money. In other cases, there will also be dilemmas experienced by different people as a result of their professions. For example, an internal auditor will face one set of dilemmas, whereas an engineering manager will face an entirely different set. Once typical dilemmas are identified, it is possible for an organisation to develop a programme that is useful for employees – one that shows them how to deal with the most common dilemmas.

This section answered research sub-question 1 which is **what is business ethics**. Different definitions were discussed and a working definition was given for the purpose of this dissertation. The definition of Rossouw was used as a working definition since it covers some of the important relevant issues for business ethics in most organisations. Values, integrity and moral dilemmas were also discussed as they play an important role as far as business ethics is concerned.

### 2.3 The importance of business ethics

In this section corporate governance will be discussed as a guideline for organisations. Corporate governance is important for investor confidence, sustainability and for the reputation of the company. Most consumers and other stakeholders tend to put their trust on organisations that have a good reputation. Ethical problems that may affect organisations will also be discussed, which include sexual harassment, conflicts of interest, use of corporate resources and fraud. Sub-question 2 of the research: **Why is business ethics important** will be answered in this section.

#### 2.3.1 Corporate Governance

Corporate governance encompasses the internal policies and practices by which most companies are operated and controlled on behalf of its shareholders (IoD, 2002). The advantages of sound corporate governance include having a strong Board of Directors that is accountable to the organisation and its owners. It is
important to realise that the responsibility of corporate governance lies with the board of directors. According to Rossouw & Van Vuuren (2004) the Board of Directors has two main functions, which are the direction and control of the company. Firstly, they are responsible for determining the strategic direction of the company, and secondly they have to ensure that management pursues the chosen strategic direction.

The Board of Directors is also responsible for governing the ethical performance of the organisation (Rossouw & Van Vuuren, 2004). They have to determine the ethical standards of the organisation and ensure that these standards are adhered to by organisations. The ethical performance of companies consists of four basic dimensions, which include:

- Determining the ethical risk of the organisation
- Codifying the ethical standards of the organisation
- Institutionalising ethical standards in the organisation
- Reporting on the ethical performance of the organisation.

The organisation’s business affairs must be conducted under the direction of the Board of Directors. The role of the Board of Directors is to effectively govern the affairs of the organisation for the benefit of its shareholders, other constituencies, which include the organisation’s employees, customers, suppliers, and the communities in which it does business. The Board strives to ensure the success and continuity of the organisation’s business through the election of qualified management. It is also responsible for ensuring that the organisation’s activities are conducted in a responsible and ethical manner.

Rossouw and Van Vuuren (2004) state that the dramatic improvement of communication technologies has led to countries into becoming global villages with a global market. They further argue that investors are able to take advantage of these investment opportunities as they become available around the globe, with the emergence of the global market. This means that investors
have greater freedom to invest their capital wherever they believe they will get the highest returns. Corporate governance plays an important role in this situation, created by a global investment market. As mentioned by Rossouw and Van Vuuren (2004), investors are searching continuously for companies that inspire confidence. If they know that a company is managed in a responsible, accountable and transparent way, they will have confidence in that company.

They further argue that on the other hand, there are a number of other factors that will influence their decision about whether to invest in a company or not. The following are some of the factors that they will consider: the vision and strategy of the business, the capability of the management team, access to reliable information concerning the developments in the organisation, and assurance that the organisation will be managed in a reputable manner that will not embarrass them. In order to safeguard their investments, investors have become demanding about improved corporate governance. Rossouw and Van Vuuren (2004: 47) also mention the McKinsey Investor Survey (2002) which released the following information: 85% of investors consider corporate governance as important as financial performance, 73% will pay more of shares of a well governed organisation than for those of poorly governed companies with comparable financial results, and the premium they are willing to pay for the shares of well governed organisations in Africa is 30%.

A good system of corporate governance also helps maintain the confidence of investors, which allows the organisation to raise capital efficiently. The importance of good corporate governance for investors was illustrated in the KPMG survey of 2001 (KPMG, 2001). KPMG identifies those factors that influence investor confidence and corporate performance. For the purpose of this dissertation only investor confidence will be discussed. According to the survey institutional investors typically view a well-governed organisation as one that has a majority of outside directors with no management ties on its board.
Directors should also hold significant shareholdings in the organisation, and a large part of their remuneration should come in the form of stock options.

The importance of corporate governance for investor confidence and the way in which ethics is entwined with both the concept and practice of corporate governance illustrate the strategic significance of ethics for organisations (Rossouw & Van Vuuren, 2004:18). The IoD (2002) has urged most organisations to use corporate governance as a guideline to conduct their business affairs. Consequently, stakeholders have confidence in those organisations.

### 2.3.2 Ethical problems for organisations

The following ethical problems will be discussed because they are the most common in many organisations: Sexual harassment, conflicts of interest, misuse of corporate resources and fraud. However, these are not the only ethical problems, there are many more. These ethical problems will be discussed because they appear to be problematic in most organisations and employees are being dismissed on a regular basis because of these problems. Most organisations find themselves in a battle in court or in the Council for Conciliation, Mediation and Arbitration (CCMA) because of employees who have been dismissed and want to be reinstated. In most cases this ends up in unnecessary financial losses for organisations or the individuals affected.

#### 2.3.2.1 Harassment

There are two types of sexual harassment as mentioned in Nelson and Trevino (1999) and Hartman (2002), namely quid pro quo and a hostile work environment. The above researchers both define these types as follows: quid pro quo means that sexual favours are a requirement or appear to be a requirement for advancement in the workplace. Hostile work environment is
when a worker is made to feel uncomfortable because of action or comments relating to sexuality. These types of sexual harassment can be confusing because what constitutes sexual harassment for one person may not for another. For example, putting an arm around a person’s shoulder may feel like harassment for one person but not for the other.

According to Nelson and Trevino, (1999) harassment is a form of discrimination and is therefore an ethical issue because it unfairly focuses on job satisfaction, advancement, or retention on a factor, other than the ability to do the job. Most instances of sexual harassment have nothing to do with romance and everything to do with power and fairness.

Most organisations take sexual harassment charges very seriously and will launch immediate investigations if someone is accused of sexually harassing another employee. If this is a first time sexual assault offence the employee may be warned, disciplined, or transferred to another area. However, in some major organisations a first time offense is enough to get someone fired.

Before an organisation can dismiss an employee, there must be a code of conduct that clearly spells out what would happen if an individual is found guilty of this offense. According to Manley (1992), at many organisations the codes of conduct clearly prohibit and punish any sexual harassment in the workplace. He further states that any work environment should be free from other harassment for any reason – race, national origin, or handicap.

**2.3.2.2 Conflicts of interest**

According to Nelson and Trevino (1999) a conflict of interest occurs when one’s judgement or objectivity is compromised. They explain that the basis of every personal and corporate relationship is trust, and that it exists only when individuals and corporations feel they are being treated fairly, openly, and on the
same terms as everyone else. A conflict of interests exists when employees have a personal interest that could be seen to have the potential to interfere with their objectivity in performing their duties or exercising their judgement on behalf of the organisation they are working for. Conflicts of interest erode trust by making it look as if special favors will be extended for special friends and that attitude can enhance one relationship, but at the expense of all others.

Almost every business situation can involve conflicts of interest. A conflict can occur when a vendor lavishly entertains employees or when employees entertain a customer – if the object is influence. Both situations could prompt an observer to think that a special deal or advantageous terms are part of the relationship. Conflicts of interest can occur when employees reporting to a manager observe that one of their colleagues has a close friendship with the manager. According to Nelson and Trevino (1999) common conflicts of interest include the following:

**Influence**

A relationship with someone by itself can constitute a conflict of interest. For example, if managers in charge of purchasing corporate advertising and their neighbours or cousins or friends own an advertising agency, it will be considered conflict if those managers make the decision to hire that firm. That does not preclude the firm from bidding, but it does preclude the manager from making the decision.

**Privileged information**

Employees are privy to information that would be valuable to their employer’s competitors. It is considered a conflict of interest to hold two jobs for competitors (for example, working part time for VodaCom and full time for MTN). In addition, it could be considered a conflict of interest if relatives work for competitors. One good way to handle this is to disclose to managers if a person holds two jobs in
competing firms or if relatives work for competing firms. This will remove any risk that may arise from the situation.

2.3.2.3 Misuse or abuse of corporate resources

As mentioned in Nelson and Trevino (1999) the use of corporate resources involves fulfilling the employer employee contract. It means being truthful with the employer and management, and being responsible in the use of corporate resources, including its finances and reputation. The important consideration is for employees to treat company resources as if it were their own. Employees, according to Manley (1992), should only use company property where permission has been granted. He further justifies that permission from the line manager is required for personal use of company time and property including:

- Photocopying
- Emergency telephone calls, or calls such as can only be made during the day
- Use of office equipment and supplies.

It will be considered abuse when company resources such as vehicles are used for private purposes without permission. This can even lead to dismissals in other organisations. Examples of abuse would be:

- Franking private mail
- Making unnecessary private calls
- Using company time for private business
- Receiving payments from third parties for work done during company time.

Permission will usually be given for very important phone calls or small amounts of photocopying. Manley (1992) explains that no organisation can afford to run a business where its facilities are abused for personal reasons. Stealing a R10 note from petty cash, or stationery worth only R10, or making personal calls worth R10, all involve stealing R10 worth of corporate resources. Whether it involves completing expense reports, appropriating office supplies, sending
personal mail through the company mailroom or photocopying personal items, inappropriate or personal use of corporate resources is unethical and violates most corporate policy.

In most organisations, in the event that employees have stolen company assets or inflated an expense report, they will probably get arrested or even fired. Most company cultures place a tremendous importance on loyalty, honesty and teamwork. Under normal circumstances, successful organisations are communities, where a sense of family has been encouraged. Just as family members protect one another and keep family information private; the organisation tries to encourage the same behaviour. Individuals who violate the family trust by being dishonest, or misusing resources are frequently isolated or even banished.

2.3.2.4 Fraud

Rossouw (2002: 159) defines fraud as acts of dishonesty with the intention to deceive another party, which results in gain for the deceiver and loss for the deceived. Most corporate fraud is never heard about or publicised. As elucidated in Spollen (1997), the reason is that organisations do not want it to be known, for it damages their reputation. In most instances fraud is an inside job. It occurs because of the failure of management in taking steps to safeguard the assets and reputation of the organisation, which is according to Rossouw and Van Vuuren (2004), vital for the success of the business. Rossouw and Van Vuuren (2004) further state that an international survey by Ernest and Young of 1998 revealed that 80% of the organisations surveyed in the African continent experienced fraud during the previous years.

Fraud and corruption are often used interchangeably, but there is however a distinction between the two. Corruption is defined as inducement by improper means to violate one’s duty towards one’s principal resulting in harm to the
interest of another party and in financial benefit for the perpetrator (Carabine & Rossouw, 1999: 14-15). Corruption is widely condemned, yet widely practised. A confluence of factors has produced a changing environment in which corruption is now viewed as seriously problematic (Spollen, 1997). If these trends continue, managers will do their shareholders a disservice if they fail to take aggressive steps to ensure that their firms are not perceived as contributing to corruption. Yet firms face the pragmatic problem that they may find themselves at a serious disadvantage if they refuse to pay bribes while others continue to do so.

The remedy as stated by Rossouw and Van Vuuren (2004) has been sought in more effective mechanisms including the criminal justice system. Despite these mechanisms, fraud is still on the increase. Ethical codes and other strategies to build moral culture have been introduced in the fight against fraud. Rossouw and Van Vuuren (2004:12) argue that the role of business ethics in fighting fraud and in the protection of company assets is a further indication of the vital role that business ethics plays in organisations. If an organisation considers the protection of its assets as strategically important for its organisational success, it will be counterproductive to ignore the role that ethics can play in this regard.

These ethical problems have led companies to think thoroughly about their future and what will happen if they do not do anything. Corporate governance, on the other hand plays an important role in this regard, which has been discussed previously.

An attempt was made to answer sub-question 2: Why is business ethics important by using ethical problems such as sexual harassment, conflicts of interests, misuse of corporate resources, and fraud. Corporate governance as an important element for most organisations who are striving to maintain an ethical standard in their environments was also discussed.
2.4 The aims of business ethics and creating an ethical culture

In this section sub-question 3 will be answered: *What do companies want to achieve with business ethics?* Creating an ethical culture has become an important element for most organisations, and this topic will be covered in this section. Leadership and trust will also be discussed as the framework that companies can use to create an ethical culture. Creating an ethical culture helps organisations realise the importance of business ethics. Leadership and trust will be highlighted as they play an important role in creating an ethical environment that can be perceived as critical areas for most organisations.

Organisations who are serious about ethics are proactively developing an ethical culture. Cultures are complex combinations of formal and informal organisational systems (Nelson & Trevino, 1999). To create an ethical culture, the above-mentioned researchers state that these systems must be aligned to support ethical behaviour. For example, if the formal ethics code conveys the message that honesty is highly valued in the organisation, and high-level managers routinely tell customers the truth about the organisation’s ability to meet their needs, employees receive a consistent message about the organisation’s commitment to honesty. On the other hand, if the same organisation regularly deceives customers in order to land a sale, the organisation is out of alignment. Its code says one thing while its actions say quite another. Deceit is then what the organisation is really about, despite the ethics code.

According to Fritzsche (1997), high performing cultures promote ethical behavior. He further argues that three conditions appear to exist at firms that realise high performance over the long run. First, the firm must have a strong corporate culture. Openness can be the most important characteristic of a high performing culture (Pearson, 1995). Second, the culture needs to fit the environment in which the firm operates. Third, the culture must be able to help the firm foresee
environmental changes and adjust successfully to those changes. Fritzsche (1997) maintains that some of the characteristics of high performance firms include the following: value system emphasis sincere caring for key constituencies (customers, employees and shareholders). These will include concern of long duration and emphasis on integrity. The other element is corporate behavior: Corporations with high performing cultures are organisations, which possess shared values that promote ethical behaviour.

2.4.1 Leadership and ethical culture

Leadership and trust will be discussed in the following section, which are important for organisations to create a strong ethical culture. Employees view leaders as role models whom they trust and admire, as they will look up to them in adhering to the ethics of the organisations that they serve.

Leadership may be the single most important component of an organisation’s ethical culture, as integrity (or the lack of it) flows from the top down. Employees observe what leaders do, and they make sense of the organisation’s culture based on leaders’ communication and, most importantly, their actions. To achieve results top management needs to be openly and strongly committed to ethical conduct, and give constant leadership in tending and renewing the values of the organisation. A former CEO as mentioned in Harrison (2002), once said that the term CEO stands for Chief Ethics Officer. This is a statement that recognises how important it is for the organisation’s leader to set the firm’s ethical standards.

People in leadership positions often set the tone by the example of their conduct. They should show the effort to promote diversity, openness, empowerment and ethical management practices. Hartman (2002) states that most top managers are neither ethical nor unethical leaders but rather fall into an ethically “neutral” category. This is probably because they do not realise how important they are to
the organisation’s ethical culture, so they simply do not provide leadership in this crucial area. They do not set ethical goals. They do not tell employees to meet business goals at any price. There is simply no ethics message. In the context of all other messages being sent in a highly competitive business environment, employees are likely to interpret silence to mean that the leaders really do not care how business goals are met, and they will act on that message (Hartman, 2002).

2.4.2 Trust as part of the ethical culture

Managing ethical values as mentioned in Tierney (1996), in the workplace can legitimise managerial actions, strengthen the coherence and balance of the organisation’s culture, and improve trust in relationships between individuals and groups. It can also support greater consistency in standards and qualities of products, and cultivate greater sensitivity to the impact of the enterprise’s values and messages. Harrison (2002) argues that attention to ethics is also strong public relations - admittedly, managing ethics should not be done primarily for reasons of public relations. However, the fact that an organisation regularly gives attention to its ethics can portray a strong positive image to the public. People see that organisation as valuing people more than profit, as striving to operate with the utmost of integrity and honor.

Aligning behaviour as mentioned in Pearson (1995), with values is critical to effective marketing and public relations programs. Bob Dunn, President and CEO of San Francisco-based Business for Social Responsibility, states: “Ethical values, consistently applied, are the cornerstones in building a commercially successful and socially responsible business” (Tierney, 1996).

Rossouw and Van Vuuren (2004) mention that the cost that distrust imposes on business is mostly in the form of the cost of different types of control mechanisms. If trust exists, organisations rely on their members to look after its
assets. Where trust has been violated and employees feel betrayed by an organisation, they will look for opportunities for revenge. This implies that employees can no longer be relied upon to protect the assets of the organisation. On the contrary, they have to be monitored continuously and all kinds of control mechanisms have to be introduced to ensure that they do not abuse their authority. This is obviously time-consuming and costly. Given the costs imposed by a lack of trust, an interest in trust makes business sense (Rossouw & Van Vuuren, 2004).

The above-mentioned authors further state that trust is needed also in teams. If team members do not trust each other, it will be difficult for them to share knowledge and information with each other, which will affect their performance negatively. If they trust one another, then it becomes easier for them to share information among themselves. They further state that the relationship between ethics and trust implies that if organisations are to consider trust to be of importance for the success of attaining organisational goals, then they have to be concerned about ethics as well.

Creating a trusting environment may help to enhance the ethical culture of organisations. If there is no trust within the organisation, the performance of individuals or teams may be affected negatively.

Sub-question 3 was consequently answered: *What do companies want to achieve with business ethics?* The issues that were discussed in this section centred around creating an ethical culture, which included leadership and trust as a frame of reference.

### 2.5 Conveying business ethics

This section deals with different methods that may help organisations to convey ethics. These methods include codes of ethics, communication systems
Recruitment and selection will also be discussed with the focus on different methods such as interviews, reference checking and psychometric testing. Sub-question 4 of the research, namely *How do companies convey the ethics message?* will be answered in this section.

### 2.5.1 Different systems to convey ethics

The organisation’s ethics message can be communicated in a variety of ways. The most obvious ethics communication channels include a mission or value statement, a code of conduct, policy statements, a formal whistleblowing process, and communication from leaders. The following list as mentioned in Nelson and Trevino (1999) and Rossouw and Van Vuuren (2004) analyses some of the types of communications materials that contain an ethics message:

#### 2.5.2 Codes of ethics

Rossouw and Van Vuuren (2004: 69), define a code of ethics as a document or agreement that stipulates morally acceptable behaviour within an organisation. It defines the moral standards or guidelines that need to be respected by all members of an organisation in their decisions and actions.

Codes of ethics are statements of values and principles, which define the purpose of the company (Hartman, 2002:351). They seek to clarify the ethics of the organisation and to define its responsibilities to stakeholders and employees. They are expressed in terms of credos or guiding principles.

#### 2.5.2.1 Purpose of the code

Many organisations have codes of ethics, which they use to promote ethical behaviour. It is important to first establish what the purpose of the code is. A
code can take a variety of forms, and can serve a variety of purposes. The variety of purposes as stated in Rossouw and Van Vuuren (2004) can be divided into internal and external purposes. A code of ethics for internal purposes can: raise ethical awareness, prevent unethical behavior, promote ethical behavior and provide guidance in ethical decision-making. A code of ethics for external purposes might be: to promote the reputation of the organisation, deflect state interference in the internal affairs of a business and pre-empt legal action against an organisation.

Vallance (1995) argues that ethical organisation status may be achieved if the right structures are in place. She further states that this will probably involve a code of conduct that identifies the operational values and standards of conduct for a particular organisation. Fritzsche (1997) explains that organisational policy explained in a code of ethics appears to be an effective vehicle for maintaining ethical behavior in the firm. He further asserts that for the code to be effective it has to be part of the standard operating procedures and not simply be used as a tool for resolving ethical problems.

The existence of a document called the code of ethics or statement of core values does not of itself mean that an organisation is operating ethically. Such a statement must be a real description of what people are doing for the code to be a genuine ethical concern within the organisation. It must be a living document, in such a way that it must be discussed, revised, adapted to new situations and considered in the light of new strategic imperatives (Griseri & Groucutt, 1997).

The ethical code is important in identifying the business’s aims, direction and values. Although the code cannot on its own guarantee the achievement of the business aim, it has a number of advantages as mentioned in Griseri & Groucutt (1997: 115), Manley II (1992: 7 - 12) and Vallance (1995:179): It releases people inside the business from uncertainty about how they are expected to act and react. The code allows people outside the business to identify positively what the
business is offering and what they can expect when dealing with it. Employees can use the code as a guide of conduct, to clarify responsibility for ethical behavior and enhance their self-images. The business can build experience and an idea of good practice in relations with all the stakeholders of the business. In all these ways a code of ethics can help to ensure right action in business. However, as mentioned in Griseri and Groucutt (1997) there is some doubt whether any organisation can discover once and for all the definitive statement of organisational ethics, which will fit all situations.

2.5.2.2 Implementation of the code

Rossouw and Van Vuuren (2004) maintain that to reinforce the code it needs to be communicated regularly and in different ways. It is also important to ensure that new employees are acquainted with the code and its application. Some clarity will also be needed about what would happen if employees were to contravene the act. They further explain that for the implementation of a code to be effective, the level of trust that exists in an organisation is crucial. If the level of trust is low, implementing such a code will be ineffective and the issue of trust would need to be addressed before implementation of the code can take place. Manley (1992) substantiates that effective communication furthermore enhances a trusting, supportive environment, but when communication performance falters, the trusting environment may however deteriorate.

Manley (1992) confirms that the manner in which the importance of the code is communicated to employees is critical to successful code implementation. If the essential need for the code is not communicated to employees they may not give the code credibility and proper attention. The manner by which a firm communicates its code often colours the code’s message. An unsupportive environment can often cause employees to suppress their true feelings, and the employee’s communication will be characterised by a need to protect themselves rather than a desire to serve the best interests of the firm by adhering to code
standards. Manley further argues that firms, which actively seek to improve the environment for communication, lay the foundation for a thorough transmission of the importance of the code and of its attendant implementing procedures. In this regard, establishing a culture of open communication is complementary to effectively disseminating the code. The act of open communication concerning issues within a firm acts to reinforce itself.

2.5.3 Communication Systems

In communicating ethical behaviour within the organisation, there are different systems that can be used. These include policies, websites, awareness programmes, ethics talk, ethics helplines, ethics newsletters, recruitment, selection, and confidential reporting. These systems are the ones most commonly used in most organisations. However, different organisations will use different systems depending on the need and nature of the organisation.

2.5.3.1 Policies

According to Nelson and Trevino (1999) these can be whatever they need to be given employee’s need for information. Most organisations place resource racks in strategic locations and fill them with brief brochures on specific topics. Employees can take the brochures they need, without having to deal with issues that are not as important to their particular job. The brief brochures can also be easily updated or added to, making the programme flexible to the dynamic business environment. These booklets can contain important information on ethics. Employees can use them for easy reference whenever they are confronted with ethics issues.
2.5.3.2 Websites

Some organisations use websites to provide information on ethics. The company’s website as mentioned in Nelson and Trevino (1999) is an important source of information about the organisation and its values. Many firms post their mission or value statements and even their codes of conduct on their Websites. Stakeholders such as potential employees, customers and suppliers are likely to use the organisation's website to gather information about the organisation. Employees can also easily access this information whenever they need information about ethics. In some organisations the employees can also use the website to ask questions to the ethics office, provided the organisation has such an office, and such questions can be directly answered to particular individuals.

2.5.3.3 Awareness programmes

Employees need to know what the organisation expects in terms of ethical conduct and awareness (Rossouw & Van Vuuren, 2004). The code of ethics in particular has to be a living document and not just a paper exercise. There should be orientation sessions conducted by key management ethics role players, for example senior managers and human resources managers. These awareness sessions should address issues such as the importance of ethics, a detailed description about the code of ethics, procedures to be followed and the resources available. Organisations can use these sessions to achieve different objectives, such as to introduce ethics, to revise the code of ethics or even to clarify some of the ethics issues that employees might have.

2.5.3.4 Ethics newsletters

According to Rossouw and Van Vuuren (2004), newsletters maintain organisational ethical awareness. In most cases newsletters are used by
organisations to publish good news on ethics, ethical dilemmas, statistics relating to helpline queries or confidential reporting incidents. Most organisations publish their ethics stories in newsletters in the hope that employees will realise that the organisation takes ethics seriously. The newsletters can also emphasise to employees the ethics training that they can undergo within the organisation.

2.5.3.5 Ethics talk

Some organisations use their ethics talk as part of the training programme. According to Rossouw and Van Vuuren (2004) this can be a powerful tool to entrench ethics in an organisation. Examples include creating forums where ethics can be discussed freely and openly, making ethics part of management development and training, identifying key ethical role models that can be used to facilitate ethics talk and putting ethics on the agenda when decisions are to be made.

Ethics can be a very sensitive issue, which people choose to not talk about freely and often. Ways of making people talk about ethics have to be created, and these may include meetings where ethics would be on the agenda and where top management welcomes its employees to talk freely on ethics. These will facilitate ethics to be communicated in the organisation and to clarify any uncertainties that employees might have.

2.5.3.6 An ethics helpline

As mentioned in Rossouw and Van Vuuren (2004) employees often need guidelines to deal with issues that have lesser or serious ethical consequences. Many organisations have an ethics helpline to assist their employees to interpret the ethical code. The helpline normally consists of a website, an office or telephone line that can be used by employees to seek answers to their ethical
questions while they can remain anonymous. In some organisations there will be training programmes for employees to use the ethics helpline.

Many organisations have developed an ethics helpline to help answer any questions that employees might have. Trained advisors who maintain the confidentiality of the callers answer these questions. The reason for the helpline in most organisations is that some employees do not want direct contact with their advisors. The ethics helpline will help to protect such employees.

2.5.3.7 Confidential reporting

Rossouw and Van Vuuren (2004) mention that there are some ethical issues that cannot be addressed by the ethics helpline. In such cases some organisations have an additional facility where unethical behavior can be reported. Such a line is strictly for confidential reporting and organisations can deal with such ethical issues within their boundaries without exposing scandals to the public domain. In most cases organisations can avoid their reputation being damaged for using such a system.

2.5.4 Recruitment

Rossouw and Van Vuuren (2004) argue that organisations that want to maintain or build an ethics culture have to ensure that they attract employees of integrity. Their recruitment strategies have to be aligned with the ethics culture. The above authors argue that in emphasising the ethical values, the organisation will ensure that only candidates who support the ethical message will apply for vacancies. The organisation will save itself from candidates of dubious integrity, as they will not apply for jobs because of the strong ethical culture expressed by the organisation. This approach to recruitment will help build the organisation’s reputation and would enable it to attract talent. The employees would also be aware of the ethics culture right from the beginning.
2.5.5 Selection

Many organisations select employees of integrity to positions that require ethical accountability (Rossouw & Van Vuuren, 2004). Integrity may be assessed in a quantitative or qualitative manner; it may be included as a dimension to be assessed in a number of selection methods. Rossouw & Van Vuuren (2004) further mention that some of the methods are interviews, reference checking and psychometric testing. Using selection interviews can determine whether the candidate will match the requirements of the potential employer. Interviews however do not possess good predictive validity but they are the most commonly used methods. Reference checking can also be used to assess the integrity of potential candidates, especially candidates who would be required to work with cash or with confidential or sensitive information. It is in the best interest of employers to formulate questions that would assess the integrity of potential candidates, as referees in most cases are not obliged to give out information (Rossouw & Van Vuuren, 2004).

Psychometric testing can also be used as a method to assess integrity. These tests consist of a number of questions that ascertain whether the potential candidates possess integrity or not. However, there are disadvantages, as with other methods, seeing that the candidates being assessed may not be sufficiently astute to provide answers that they deemed required by the evaluator.

2.5.6 Induction as a method to convey ethics

Induction can be used as another method to convey ethics, which will be discussed in more detail in the following chapter as it forms part of the research for this dissertation. For ethics to be effective it is important that new employees will know from the outset about the ethical code and behaviour in the organisation. This is the first step of introducing ethics in the organisation, which
will create an awareness of ethics in new employees. According to Rossouw and Van Vuuren (2004) this can be a powerful intervention strategy for creating an ethical awareness to new employees.

2.6 Integration

This chapter answered sub-questions 1, 2, 3 and 4: What is business ethics? Why is it important? What do companies want to achieve with business ethics? How do companies convey the ethics message?. These questions were answered by defining business ethics that emphasise principles, norms, standards and business conduct. Ethical values, integrity and ethical dilemmas were discussed as they play an important role in most organisations. The importance of business ethics was also discussed on the basis of ethical problems for organisations and corporate governance. Ethical problems discussed included conflict of interests, sexual harassment, fraud, and misuse of corporate resources. Leadership and trust were also discussed as important aspects of ethics in terms of creating an ethical culture.

The issue of how business ethics can be conveyed formed the concluding discussion, which focused on different systems that could be used by organisations to convey ethics to employees. The different systems that were highlighted are code of ethics and communication systems (policies, newsletters, website, ethics programmes, ethics talk, ethics helplines and confidential reporting). Recruitment and selection, which includes methods of interviews, reference checking and psychometric testing, were discussed as ways to assess integrity of potential candidates. The next chapter will focus on sub-questions 5 and 6: What is induction? and Why is it important?
Chapter 3: Induction

3.1 Introduction

In Chapter 2 business ethics and its importance was discussed using corporate governance as a frame of reference. Corporate governance is being used in most organisations to try and find solutions for some of the ethical problems. Sub-questions 1,2,3 and 4 were answered, which are: What is business ethics? Why is it important? What do companies want to achieve with business ethics and How do companies convey the ethics message? Some of the most common ethical problems faced by organisations were also discussed. The whole question of what companies want to achieve with business ethics was dealt with. Different systems such as code of ethics and communication systems were explored to help organisations to convey business ethics effectively to their employees.

Chapter 3 will focus on induction in order to answer sub-questions 5 and 6: What is induction? and Why is it important? A broad definition of induction will be supplied and related concepts of induction, which include orientation and socialisation will be discussed. The purpose and the importance of induction will be discussed by focusing on phases of induction and the roles of human resources, supervisors and line management.

3.2 The nature of induction

Induction in many organisations is not given the sufficient attention it requires, because most organisations do not value it as being important. It has become imperative to evaluate this subject and to make organisations aware of its importance. In this section induction will be discussed in more detail.
3.2.1 Defining induction

Grobler, et al. (2002) defines induction as the process of integrating new employees into the organisation and acquainting them with the details and requirements of the job. It can thus be regarded as a process by which employees are transformed from complete outsiders to participating and effective members of an organisation. This process may take place either by means of a formal programme or an informal introduction. Induction is defined by Meyer (1999) as the process of introducing new employees to the goals of the organisation, its policies and procedures, its values, the co-workers as well as the activities of the tasks to be performed and the equipment to be used.

Hall and Goodale (1986:275) as mentioned in Gerber, Nel and Van Dyk (1996) define induction as the process through which new employees learn how to function efficiently within a new organisational culture by obtaining the information, values and behavioural skills associated with their new roles. Ivancevich and Gluek (1986:448) as mentioned in Gerber et al. (1996) regard induction as the human resources management activity that introduces new employees to the organisation and to the employee’s tasks, superiors and work group.

Armstrong (1982) defines induction as the process of receiving employees when they begin work, introducing them to the company and to their colleagues, and informing them of the activities, customs and traditions of the company. He further outlines induction as the process of receiving and welcoming employees when they first join an organisation and giving them the basic information they need to settle down quickly and happily and start work. It may be regarded as the beginning of training or the final stage of the selection process.
For the purpose of this dissertation the working definition that will be used is as follows: *Induction is the process of introducing employees to the values, culture, procedures and policies of the organisation.* The reason for using this definition is due to the fact that many employees join the organisation with certain expectations and expect the organisation to meet those needs. They also need to acquaint themselves with what is required from them when they start to work and this they will find in the values and policies, which they have to adhere to. In most cases employees find themselves in difficult situations that will end their jobs because they failed to adhere to the policies and procedures of the organisation.

### 3.2.2 Induction and related concepts

At this stage it is important to distinguish between induction, orientation and socialisation. As discussed earlier, induction is a process of introducing employees to the values, culture, policies and procedures of the organisation. Wanous (1992) mentions that socialisation concerns itself with the ways in which new employees change and adapt to the organisation. The types of changes include learning new roles, norms and values. Socialisation of new members is the mechanism by which an organisation can ensure stability and perpetuation of its culture (Greenhaus & Callanan, 1994). The organisation wants to ensure that its employees adhere to the norms, values and essential mission of the organisation. Wanous (1992) defines orientation as a process to help new employees to cope with entry stress. Although the terms *orientation* and *induction* are used interchangeably, the term induction will be used for the purpose of this dissertation. Induction is a commonly used term in many organisations and to avoid confusion to the reader only this term will be used.
3.2.3 The purpose and importance of induction

According to Grobler, et al. (2002), the main purpose of induction should be to assist new employees in their socialisation to the organisation. It is important to ensure that new employees not only understand the way the organisation and their jobs are organised, but also that they embody the culture of the organisation.

The purpose of induction as mentioned by Cornelius (2001) is to help new employees to adjust to their new jobs and organisational environment. It also serves to assist them to integrate into their new teams and prevent a high rate of early leavers. He further states that research shows that many new employees face an “induction crisis” during their first six weeks of joining a new organisation and that turnover rates of new starters are very high during these weeks. Causes of early leaving can arise from the gap between the official and unofficial expectations of the employer and expectations of the employee. Other major reasons given for leaving include false expectations during recruitment, not fitting into the organisation, poor relations with managers and lack of fitting into the work group (Cornelius, 2001).

When employees leave the organisation it results in the company having to re-advertise, re-recruit, re-orientate and re-train workers. This is costly and it is therefore important that companies have a good induction programme and be able to retain employees with talent. The delay in reappointing a replacement impacts substantially on customer service, productivity and in the end financial results (Meyer, 1999). Research has clearly shown that the influence of the first few days on a new employee and the impressions gained have an important bearing on performance and on labour turnover in general (Grobler, et al., 2002). Gerber, et al. (1996) confirms that the first few days in a new job are of vital importance to the employee and the employer. Due to the cost of turnover being considerably high, it is extremely important to place more attention on the entry
of new organisation members (Wanous, 1992). He further states that it takes time for new employees to be productive in order to repay the costs associated with their recruitment, selection, induction and training. These costs differ from organisation to organisation and from job to job.

It should be noted that although induction is important it cannot entirely counteract the negative effects of unwise recruitment and selection. To be entirely successful induction needs the attention of top management, line management and the human resources division. According to Grobler, et al. (2002) most new employees are very keen after accepting a job offer to learn about their job and the organisation.

Traditionally induction programmes have been regarded as a ‘nice to have’ procedure carried out by the personnel manager to introduce new employees to the organisation (Grobler, et al., 2002). The programmes were rigid, generic and completed over a limited period – a few days or even a few hours. However, as organisations begin to restructure their overall human resource management practices to ensure continual growth and competitiveness, they need to refocus on the impact that initial employment experiences with an organisation have on a new employee.

According to Gerber, et al. (1996), Grobler, et al. (2002) and Meyer (1999) the induction process has the following several important objectives:

- Acquainting new employees with job procedures.
- Establishing relationships with co-workers (including subordinates and supervisors).
- Creating a sense of belonging among employees by showing them how their job fits into the overall organisation.
- Acquainting new employees with the goals of the organisation.
- Indicating to the employees the preferred means by which these goals should be attained. Identifying the basic responsibilities of the job.
• Indicating the required behavior patterns for effective job performance.
• Assisting in the creation of employer - employee expectations (the right type of employee for the company, so as to fit the culture, values and company objectives).
• Reducing anxiety, uncertainty and possible turnover (the initial job decision of the employee is positively confirmed and experienced).
• Creating a positive image of the organisation as a desirable employer, which leads to increased loyalty towards the company.
• Encouraging socialisation and creating a feeling of belonging, as well as acceptance by colleagues. Initiating a developmental process and encouraging productive input as soon as the employee starts within the new position.

Gerber, et al. (1996), Grobler, et al. (2002) and Meyer (1999) further explain that the objectives of induction also include the following:
• To make the new employee rapidly productive: an effective induction programme can contribute towards enabling the new employee to reach production standards more rapidly and to reduce the cost of employment.
• To reduce fear and insecurity: when new employees join the organisation they experience fear of whether they will succeed in the job, as a result of insecurity about the requirements of the new job.
• To reduce labour turnover: if new employees feel negative that they will not be able to contribute to the organisation, this will make them to leave the organisation. An effective induction programme can make a positive contribution towards limiting labour turnover to a minimum during the initial phase of the new employee’s career.

The following benefits as mentioned in Grobler, et al. (2002), can accordingly result from an effective induction programme: higher job satisfaction, lower labour turnover, greater commitment to values and goals, higher performance as a result of faster learning times, fewer costly and time consuming mistakes,
reduced absenteeism, better customer service through heightened productivity, improved manager/subordinate relationships, and better understanding of company policies, goals and procedures.

Grobler, et al. (2002) further make it clear that other aims of induction are to: smooth the preliminary stages when everything is likely to be strange and unfamiliar to the new employee; and to establish quickly a favorable attitude to the company in the mind of new employees so that they are more likely to stay. This would ensure that effective output from these new employees might be obtained in the shortest possible time.

Goel (1995) informs that induction can help new employees to develop a positive attitude towards the system, its purposes, policies and procedures, and that this would result in their assimilation to the philosophy of the organisation. In most companies the induction programme is continuously evaluated and enhanced to ensure that the objectives of the induction process have been achieved.

3.3 The phases of induction

In this section the phases of induction, the role of line managers, supervisors and human resources will be discussed. The needs of the organisation are aimed at making a profit, which means that the organisation wants the new employee to make a productive contribution to profit making as soon as possible. New employees, on the other hand, are more interested in compensation, benefits and conditions of employment. Particular care must be taken that a healthy balance is maintained between the needs of the organisation and those of the new employee. Sub-question 6 of the research: Why is induction important? will be answered in this section.

According to Wanous (1992), and Schein (1993) induction can be divided into 3 phases, which include recruitment and selection, orientation and socialisation.
Wanous (1992) describes recruitment as the process of mutual attraction between the individual and the organisation and selection as the process of mutual choice. Schein (1993) describes recruitment and selection as a period of preparation and training on the part of the individual. It occurs prior to the individual accepting a job.

Wanous (1992) defines orientation as the process of initial adjustment; where the individual has to cope with stress. Socialisation, on the other hand, is the process where the individual learns how to be successful in the organisation.

**Table 1 : Induction phases**

<table>
<thead>
<tr>
<th>Phases</th>
<th>Contents</th>
<th>Role-players</th>
<th>Roles</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Recruitment and selection</td>
<td>Human resources</td>
<td>a) Human Resources’ responsibilities are:</td>
<td>Grobler, et al. (2002)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- the employment contract, compensation, loan facilities, medical schemes, pension plans and the development and monitoring of the success of the induction programme.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>b) new employees need specific information in the recruitment phase:</td>
<td>Goel (1995)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>company standards, social behavior and technical aspects of the job.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>c) candidates need to be provided with relevant and</td>
<td>Greenhaus and Callanan (1994)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**undistorted information**

d) realistic recruitment is required

e) a match has to be achieved between the skills, knowledge and abilities of the individual and the job requirements

f) Three typical problems that may face new employees
   - Problems in entering a group:
     - Naïve expectations
     - First job environment.


<table>
<thead>
<tr>
<th>Orientation</th>
<th>Line managers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2</strong></td>
<td>a) Line managers’ responsibilities are:</td>
</tr>
<tr>
<td></td>
<td>- to meet all new employees</td>
</tr>
<tr>
<td></td>
<td>- explain their roles and responsibilities</td>
</tr>
<tr>
<td></td>
<td>- help new employees to network and bond with others</td>
</tr>
<tr>
<td></td>
<td>- explain to them the organisation’s expectations</td>
</tr>
<tr>
<td></td>
<td>b) Induction programmes should emphasise company goals, purpose, values and mission</td>
</tr>
<tr>
<td></td>
<td>c) Creating job satisfaction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Socialisation</th>
<th>Supervisors</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td></td>
<td>a) The supervisor’s role is to:</td>
<td>Fullerton (1994) as mentioned in Cornelius (2001)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- ensure that the employees receive all the relevant information - for example, explaining job duties and responsibilities as well as policies, procedures, rules and regulations.</td>
<td>Grobler, et al. (2002)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Introduce new employees to the working group</td>
<td>Graham &amp; Bernet, (1990)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Give them a tour of the workplace</td>
<td>Grobler, et al. (2002)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Explain the organisation’s background.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Five main aims of the supervisor are to:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• put the new employee at ease</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• interest him/her in the job and the company</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• provide basic information about working arrangements</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• indicate the standards of performance and</td>
<td></td>
</tr>
</tbody>
</table>
behaviour expected of the new employee
  • tell him/her about training arrangements.

3.4 Contents of induction programmes

An effective induction programme may reduce the adjustment problems of new employees by creating a sense of security, confidence and belonging for them.

Table 2: Contents of induction programme

<table>
<thead>
<tr>
<th>Activities</th>
<th>Contents</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>An overview of the organisation</td>
<td>A historical overview of the formation of the organisation, its goals, norms, standards and philosophy, the organisational structure, products and services, the job environment.</td>
<td>Gerber, Nel and Van Dyk, (1996:159)</td>
</tr>
<tr>
<td>An overview of policy and procedures</td>
<td>How to communicate, and how to get the product/service to the consumer, management philosophy.</td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>Salaries and salary scales, overtime pay, bonuses, leave pay, how payment takes place.</td>
<td></td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>Insurance, medical benefits, unemployment insurance, leave, retirement benefits, cafeteria and recreational</td>
<td></td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td>Health and emergency clinics, safety measures for the prevention of accidents, use of alcohol and drugs during working hours, the use of safety equipment.</td>
<td></td>
</tr>
<tr>
<td>Labour relations</td>
<td>Employee rights and responsibilities, employee organisations, employment conditions, grievance procedures, discipline, communication channels, termination of service.</td>
<td></td>
</tr>
<tr>
<td>Facilities:</td>
<td>Cafeteria services, parking, rest rooms, stock.</td>
<td></td>
</tr>
<tr>
<td>Economic factors</td>
<td>The cost of theft, absenteeism, accidents, starting work late, equipment and labor, profit margins.</td>
<td></td>
</tr>
<tr>
<td>Functions of the department/section</td>
<td>Objectives, organisational structure, activities in the department or section, relation of functions to other departments/sections, relation of tasks to each other within the department/section.</td>
<td></td>
</tr>
<tr>
<td>Tasks and responsibilities</td>
<td>Detailed explanation of the task based on job description, explanation of the importance of the task, explanation of performance standards, working hours and overtime, forms, records and reports to be completed, obtaining and maintaining</td>
<td></td>
</tr>
</tbody>
</table>

Gerber, Nel and Van Dyk (1996:159-160).
<table>
<thead>
<tr>
<th>Section</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>tools, explanation of general problems in the work situation.</td>
<td></td>
</tr>
<tr>
<td>Policy, procedures, rules and regulations:</td>
<td>Rules unique to the task, safety requirements and accident prevention, reporting of accidents, reporting for service, rest periods and lunch times, private use of the telephone, stock requests, public relations.</td>
</tr>
<tr>
<td>Viewing of the workplace</td>
<td>Rest rooms, first aid facilities, lockers, approved entrances and exists, stock room and maintenance department.</td>
</tr>
<tr>
<td>Introduction to employees</td>
<td>Introduction to colleagues in the department/section, introduction to employees in other departments/sections.</td>
</tr>
</tbody>
</table>

It is advisable to provide new employees with information that includes items such as the organisational chart, the organisational policy, a procedural guide, the telephone numbers of key personnel and a copy of the newsletter. This information may enable the new employees to do their jobs effectively and efficiently. It is recommended that the information be divided into ‘need to know’ and ‘nice to know’. The ‘need to know’ information is essentially information the new employee requires as soon as possible to fit in and be effective. The ‘nice to know’ information can be given over a period of time as the new employee settles in (Grobler, et al., 2002). Induction programmes can directly contribute to workplace learning and business performance.
3.5 Integration

This chapter answered sub-question 5 What is induction? which defined induction, induction and related concepts (orientation and socialisation) and set out the purpose of induction. Sub-question 6: Why is it important? which included the phases of induction as well as the role of line managers, supervisors and human resources was also addressed. Most managers are taking responsibility for induction within their organisations. They need to understand that people are different from each other in many ways – in age, gender, educational experience, values, experiences, culture and also with regard to their attitudes and approaches towards work. Many organisations are operating locally and internationally, working with a diverse workforce to sell their products and services to diverse customers. When designing an induction programme, these factors need to be taken into consideration.

According to Cuming (1994) employees entering an organisation are susceptible to adopting the new organisation’s culture. If this culture is characterised by a strong ethics dimension, the new employees from the outset become aware of the organisation’s expectations regarding ethical behaviour. This is also the time to explain the code of ethics and how to apply its rules and guidelines. The new employees’ supervisors and managers play an important role at this point, in that they can make or break the new employees’ compliance with organisational ethics. Coaching new employees on using the code of ethics in their daily tasks where required is the responsibility of the supervisor or line manager in most organisations. Informal or formal mentorship is an additional useful vehicle for conveying the organisation’s ethical values and standards to new employees.

Research shows that as mentioned in Meyer (1999) induction could be effective if top management and other prominent role players in the organisation actively participate and encourage the induction process by attending the sessions and
connecting with new employees formally and informally. This will make new employees to feel important and valued. Some organisations adopt a standardised generic induction process, as well as a customised divisional focused induction approach.

If induction is not done properly new employees may experience difficulty to learn the values of the organisation on their own. Induction may help minimise problems that were not supposed to happen in the first place. An organisation can select talented persons, but until these individuals become attuned to the philosophy of the organisation, they cannot be expected to give their best efforts to the attainment of the goals of the organisation. The induction process can help the new recruits in meeting their need for security, status, information and direction in both the position and organisational environment.

The next chapter will answer sub-question 7: *How can induction convey the ethics message?* There are different techniques that can be used for answering this question, for example questionnaires, interviews or even focus groups. The following chapter will focus on semi-structured interviews to ascertain whether induction can be used to convey the ethics message. The reason for using interviews is because they have been proved to be a successful tool to gather information.
Chapter 4: Research Methodology

4.1 Introduction

In Chapter 3 induction was discussed and sub-questions 5 and 6: What is induction? and Why is it important? were answered. This chapter deals with sub-question 7: How can induction be used to convey the ethics message? The following are set out in this chapter: an outline of the methodology, the sample from which the research will be undertaken and the manner in which the data will be collected and analysed. The research design is the plan or blueprint according to which data is to be collected to investigate a research hypothesis or question in the most economical manner (Huysamen, 1994:10). Since the variables appearing in the theories and hypothesis are constructs, there is a probability that different researchers may determine different things under a given construct.

4.2 Research design

An exploratory approach will be used, which can be defined in accordance with Saunders, Lewis and Thornhill (2000) as a valuable means of seeking new insights and asking questions. It is a useful approach to clarify the understanding of a problem. These authors further mention three ways of conducting exploratory research: (a) a search of the literature, (b) talking to experts in the subject and (c) conducting interviews. In this dissertation a qualitative research will be pursued because in qualitative research, the researcher is directly involved in the setting and interacts with people (De Vos, et al., 2002). The researcher’s own perceptions will be reflected in the research report because of the participation and the role outlined by the researcher. There is also evidence to establish credibility. Welman and Kruger (2001) define a research design as the plan according to which research participants are procured and information is collected from them. Data collection methods often employ measuring instruments. Huysamen (1994:110) mentions that measurement involves the
assignment of numbers, in terms of fixed rules, to individuals (or objects) to reflect differences between them in some or other characteristic or attribute. It is recommended to develop a reliable measurement instrument that is not based on assumptions or perceptions. For the purpose of this dissertation, semi-structured interviews will be used as the instrument of measurement. The purpose is to ensure that the questions used for the interviews are reliable and valid, so that it will measure what needs to be measured and eliminate as far as possible factors that will negatively influence the collected data.

According to De Vos, Strydom, Fouche and Delport (2002), interviewing is the predominant mode of data or information collection in qualitative research. They further state that one interviews because one is interested in other people’s stories. Stories are a way of knowing. Telling stories is essentially a meaning-making process. The above authors explain that every word that people use in telling their stories is a microcosm of their consciousness. Both parties, the researcher and the participant, are thus necessarily and unavoidably active and involved in the task of making meaning. Interviewing the participant involves description of the experience, but also involves reflection on the description. Kvale (in De Vos, et al., 2002) defines qualitative interviews as attempts to understand the world from the participant’s point of view, to unfold the meaning of people’s experiences and to uncover their lived world prior to scientific explanations. An interview is a purposeful discussion between two or more people, which can help to gather valid and reliable data (Saunders, Lewis & Thornhill, 2000).

Semi-structured interviews are defined as those interviews that are organised around areas of particular interest, while still allowing considerable flexibility in scope and depth (De Vos, et al., 2002). In general, researchers use semi-structured interviews to gain a detailed picture of a participant’s beliefs about, or perceptions or accounts of, a particular topic. This method provides the researcher and participants with much more flexibility. The researcher is able to
follow up particular interesting avenues that emerge in the interview. With semi-structured interviews the researcher will have a set of predetermined questions on an interview schedule, but the interview will be guided by the schedule rather than be dictated by it. Questions are almost always open-ended.

Welman and Kruger (2001) mention that semi-structured interviews are used when the topics are of a sensitive nature and the respondents come from divergent backgrounds. Interview guides are used in semi-structured interviews. The above-mentioned authors maintain that an interview guide involves a list of topics and aspects of these topics that have a bearing on the given theme and that the interviewer should raise during the course of the interview. All respondents are asked the same questions. Semi-structured interviews allow the interviewer to use probes with a view to clearing up vague responses, or to ask for elaboration of incomplete answers.

Semi-structured interviews are non-standardised (Saunders, Lewis & Thornhill, 2000). They further state that the researcher will have a list of themes and questions to be covered although these may vary from interview to interview. The nature of the questions and the ensuing discussion involves that data will be recorded by note taking, or perhaps by a tape-recording of the conversation. Permission should however always be sought to tape record an interview. The need to create a full record of the interview soon after its occurrence was identified as one of the means to control bias in producing reliable data for analysis. The use of interviews may help to gather valid and reliable data. Semi-structured interviews thus provide a versatile way of collecting data (Welman & Kruger, 2001).

According to Saunders, et al. (2000) there are advantages as well as disadvantages of tape-recording the interview (see Table 1).
Table 1: Advantages and disadvantages of tape-recording an interview

<table>
<thead>
<tr>
<th>Advantages of tape-recording the interview</th>
<th>Disadvantages of tape-recording the interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allows interviewer to concentrate on questioning and listening</td>
<td>May adversely affect the relationship between interviewee and interviewer (there is the possibility of “focusing” on the recorder)</td>
</tr>
<tr>
<td>Allows questions formulated at an interview to be accurately recorded for use in later interviews (where appropriate)</td>
<td>May inhibit some interviewee responses and reduce reliability</td>
</tr>
<tr>
<td>Can re-listen to the interview</td>
<td>Possibility of a technical problem</td>
</tr>
<tr>
<td>Accurate and unbiased record provided</td>
<td>Disruption to discussion when changing tapes</td>
</tr>
<tr>
<td>Allows direct quotes to be used</td>
<td>Time required to transcribe the tape</td>
</tr>
<tr>
<td>Permanent record for others to use</td>
<td></td>
</tr>
</tbody>
</table>

The purpose of data collection is to ensure that it represents a sample of the total population and that the opinions of the sample represent those of the total population. In other words, if one were to canvass all the members of the population the opinions of the sample group and the total population would be the same. As it would not be possible to canvass the whole population, the opinions of the sample are accepted provided that the whole population is not represented in the sample.

The method of carrying out the research is explained in Table 2.

Table 2 Steps of the research

1. Data gathering
2. Development of questions - The purpose of developing the questions is to obtain information that will confirm whether induction is an appropriate tool to convey the ethics message, which is also the purpose of this dissertation. The questions that will be posed to the participants as well as a motivation for each question are:
   - Do you think ethics is important and why?
   - How can organisations help employees to understand ethics better and be more ethical?

The question was chosen to get an understanding of the role organisations play in promoting ethics to employees.

- Do you think induction is important and why?
  The reason for asking this question is to ascertain the role induction plays in organisations.
- Is it a good idea to use induction to introduce ethics in the workplace?
  The question was chosen to ascertain if there is a link between ethics and induction.
- How could the organisation utilise the process of induction to convey the ethics message?
  The reason for this question is to get different ideas on the methods to be used in conveying ethics.
- Please describe how you see the possible role of the supervisor/line manager in introducing ethics to new employees.
  This question was asked to ensure if line managers/ supervisors play a role in introducing ethics to new employees.

3. The population sample will be identified. In this case the population sample will consist of line managers, human resources managers and new employees who attended the induction programme.

4. Interviews will be conducted, recorded and then the responses will be analysed using the categorising method.

5. The final step will be to make conclusions from the findings and recommendations.

The next paragraph describes the population sample and purposive sampling as the type of sampling to be used for the purpose of this dissertation.

4.3 Sampling methodology

For research to be valid and reliable it is essential to determine as accurately as possible an appropriate sample that will be representative of the population to be researched. In qualitative research, sampling occurs subsequent to establishing the circumstances of the study clearly and directly (De Vos, et al., 2002). The sampling is undertaken after the actual investigation has commenced. According to Srantakos (2000) as mentioned in De Vos, et al (2002), sampling is described as relatively limited in qualitative research. Sampling is based on saturation, not representation, the size is not statistically determined, involving low cost and not being time-consuming. It can thus be inferred that in qualitative investigations...
non-probability sampling is used almost without exception. For the purpose of this dissertation non-probability sampling will be used. At this stage it is important to make a distinction between probability and non-probability sampling. A probability sample according to De Vos, et al. (2002) is defined as one in which each person or other sampling unit in the population has the same known probability of being selected. The selection of persons from the population is based on some form of random procedure. Non-probability sampling provides a range of alternative techniques based on subjective judgement (Saunders, et al., 2002). The probability that any element (unit of analysis) will be included in a non-probability sample cannot be specified. Units of analysis are members or elements of the population, for example, families, households or individuals. In some instances certain members may have no chance at all of being included in a sample. According to Kruger and Welman (2001) the advantage of non-probability samples is that they are less complicated and more economical (in terms of time and financial expenses) than probability samples. The type of sampling to be used that falls within non-probability will be purposive sampling for the reason that in purposive sampling a particular case is chosen as it illustrates some feature or process that is of interest for a particular study.

Purposive sampling is the most widely utilised type of non-probability sampling (Kruger & Welman, 2001). Researchers rely on their experience, ingenuity and/or previous research findings to deliberately obtain units of analysis, in such a manner that the sample they obtain may be regarded as being representative of the relevant population. Usually the populations that interest behavioural scientists are so large that, from a practical point of view, it is simply impossible to conduct research on all of them.

In purposive sampling the researcher must first consider the parameters of the population and then choose the sample case accordingly (De Vos, et al., 2002). Clear identification and formulation of criteria for the selection of respondents are therefore, of cardinal importance. Creswell (in De Vos, et al., 2002:334-335),
comments as follows in this regard: “the purposeful selection of participants represents a key decision point in a qualitative study”. Researchers designing qualitative studies need clear criteria and need to provide rationales for their decisions. The search for data must be guided by processes that will provide rich detail to maximise the range of specific information that can be obtained from and about that context. In the case of purposive sampling researchers purposely seek typical and divergent data.

Saunders, et al. (2000), mentions that purposive or judgmental sampling enables one to use one’s judgement to select cases that will best enable one to answer research questions and to meet objectives. This form of sampling is often used when working with very small samples such as in the case study research when one wishes to select cases that are particularly informative. For the purpose of this dissertation homogeneous sampling will be used because it focuses on one particular sub-group in which all the sample members meet the criteria. In this dissertation three line managers, three human resource managers and three new employees that attended the induction programme will be used as a sample. The reason for choosing this sample was because line managers work with employees closely on a daily basis. The human resource managers play an important role in welcoming new employees in the workplace. The inputs of new employees are important as they may portray different ideas from the rest of the organisation.

The organisation where this sample will be drawn is an energy company, which has an ethics office and regularly presents ethics courses to its employees. It also has an ethics website and a whistleblowing campaign where employees can report unethical behaviour. The organisation supports a strong ethical culture from top management to the lowest employee in the organisation. It engages in some business activities internationally and there are some structural changes that are happening currently to ensure that the business remains competitive and
sustainable. Employees working on these projects have to ensure that they remain ethical at all times.

4.4 Data analysis

Kruger and Welman (2001) mention that once data has been collected, sense has to be made of it. In order to do this, one should organise and code it so that it can be analysed. Coding means that one has to identify the variable that needs to be analysed statistically and decide on the different code values that such variable level presents. Once all the data has been coded, it can be categorised, for example: identified patterns of themes can be identified through the use of statistics.

In this dissertation the data collected by means of semi-structured interviews will be analysed by recognising relationships, developing categories and identifying trends. According to Saunders et al. (2000) the generation of categories and reorganisation of data according to them, or the design of a suitable matrix and placement of the data gathered within its cells, means that one is engaged in the process of analysing data. They further explain that this analysis will continue during one’s search for key themes, patterns or relationships in the re-arranged data. This may lead one to alter categories and continue to re-arrange data in one’s search for meaning in the data set. One may decide to subdivide or integrate categories as ways of refining or focusing one’s analysis. It is imperative to keep an up-to-date definition of each of the categories one is using, so that consistency may be maintained when assigning these to units of data as one continues to undertake interviews.

De Vos, et al. (2002) mention that when the researchers begin to develop a category they do so first in terms of its properties, which can then be dimensionalised. The properties are the characteristics or attributes of a category, while the dimensions represent locations of a property along a
continuum. An example is a category of “colour”. Its properties include shade, intensity, value and so forth. Each of these properties can be dimensionalised, that is, they vary along continua. Thus colour can vary in intensity from bright to dull, in value from darker to lighter, and so forth. Any property will have subproperties. Each, in turn, can be dimensionalised, if analysis calls for it.

For the purpose of this dissertation content analysis will be used which, according to Fourie and Van Vuuren (2004) is a research methodology that utilises a set of procedures to make valid inferences from text. The idea is to classify many words of text into fewer categories. Each category may consist of one or several words. Words with similar meanings will be classified in the same category. As mentioned in De Vos, et al. (2002) categories have conceptual power because they are able to pull together other groups of concepts or subcategories. Data will be organised by way of naming, comparing, describing and drawing conclusions from it. It will then be examined closely by comparing incident by incident so that similar phenomena can be given the same name. The name chosen for each category will be related to the data it represents.

4.5 Integration

This chapter addressed sub-question 7: How can induction be used to convey the ethics message? The research methodology to be used was discussed. The research design is a set of building blocks according to which the research is undertaken. Without these building blocks in place it would not be possible to produce significant results, or if any results were gained they would not be regarded as meaningful as they could not be replicated. The issues of sampling, data collection and data analysis were also discussed. Once data has been collected it is important to derive meaning out of it. This is where data needs to be analysed. In this dissertation the categorising method will be applied for this purpose.
Chapter 5 will set out the results of the data collected by means of semi-structured interviews.
Chapter 5: Results

5.1 Introduction

Chapter 4 outlined the research methodology in terms of the research design, sample used, data collection and analysis. In this chapter the data that was collected by means of interviews will be analysed to make meaning out of it. The responses from all participants will be analysed from each research question.

5.2 The research process

Interviews were conducted and interpreted to make meaning out of them. Nine participants were interviewed, each interview lasted for about 30 minutes and all the responses were recorded in order to analyse them. The interviews were conducted in a quiet and private room to avoid any potential disturbances. The background of the interview questions was discussed with each participant to ensure understanding and to clarify any issues that could arise. The participants included three human resource managers, three line managers and three new employees who attended the induction programme. Three in each category of participants were chosen to maintain consistency. The criteria for choosing the participants were based on their knowledge and involvement in the subject of ethics and induction for line and human resource managers. New employees’ selection was based on the fact that they attended the induction programme.

The responses differed in terms of knowledge of the subject from the participants. The more knowledge participants had on a subject, the longer the responses would be. The responses were divided between line and human resource managers and new employees. The line and human resource managers had more knowledge on the subject of ethics and induction as compared to the new employees.
5.3 Research questions: line managers and human resource managers

Interviews were conducted and the following presents the analysis from participants (line managers and human resource managers). The line managers and human resource managers were combined because of their level of involvement on ethics and induction, which signifies a higher level. The questions that were asked are numbered and the responses from all the participants are analysed per question.

5.3.1 Do you think ethics is important and why?

All the participants positively agreed that ethics is important. The participants when the second part of the question was asked (The why part, most of the participants had to think really intensely about it).

Table 1 The importance of ethics

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral values</td>
<td>- Promoting good behaviour</td>
</tr>
<tr>
<td></td>
<td>- Establishing principles of common behaviour</td>
</tr>
<tr>
<td></td>
<td>- Ethics govern organisations and behaviour</td>
</tr>
<tr>
<td></td>
<td>- Goals of the organisation defined and expected behaviour.</td>
</tr>
<tr>
<td>Rules of conduct</td>
<td>- Cultural understanding</td>
</tr>
<tr>
<td></td>
<td>- Always acting ethically when dealing with customers</td>
</tr>
<tr>
<td></td>
<td>- Ethics can influence one’s decisions and accountabilities.</td>
</tr>
<tr>
<td>Ethics as the cornerstone of the business</td>
<td>- Organisation reaching its objectives</td>
</tr>
<tr>
<td></td>
<td>- Ethics supplement policies and procedures</td>
</tr>
<tr>
<td></td>
<td>- Knowledge on how to treat confidential information of the company</td>
</tr>
</tbody>
</table>
Acting unethically can put the company at risk. Ethics links to Public Finance Management Act (PFMA), good corporate governance and King II Report.

The key insight to this question on the importance of ethics is the need for the organisation to promote ethics on the one hand. On the other hand, employees should always conduct themselves in a way that is acceptable to the organisation. Three themes emerged from the participants’ responses (see Table 1). These are moral values, rules of conduct and ethics as the cornerstone of the business. An organisation may have expectations on values and morals, which may be explained in simple terms in the policies and procedures. Rules of conduct may be discussed to employees in order for them to know how to conduct themselves. The organisation may decide to also educate employees through various Acts, and the King II Report. The importance of ethics both inside and outside the organisation may become a lifestyle, which will definitely benefit the organisation.

5.3.2 How can organisations help employees to understand ethics better and be more ethical?

The second question was to establish ways in which an organisation can help employees to understand ethics much better. Most of the participants felt that an understanding of ethics could be made possible by communicating ethics in various ways. Each participant had their own view of how ethics should be communicated in the organisation.
The themes that emerged from the participant's responses are: ways of communicating ethics, educating external customers, manager's role in promoting ethics and enhancing ethics (see Table 2). There are various ways in which ethics can be communicated. Each communication channel can differ from one organisation to the other. It is also important that the external customers are educated on the ethics of the organisation, in order for them to have a common understanding.

### Table 2 Communicating ethics

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ways of communicating ethics</td>
<td>- Induction&lt;br&gt;- Sessions on ethics&lt;br&gt;- Communicate through e-mails&lt;br&gt;- Website for sharing information&lt;br&gt;- Booklets explaining ethics&lt;br&gt;- Brochures and classroom teachings&lt;br&gt;- Course/booklets on actions concerning ethics.</td>
</tr>
<tr>
<td>Educating external customers</td>
<td>- Promoting ethics in the external environment like communities&lt;br&gt;- Ethics awareness and campaigns&lt;br&gt;- King I and II Reports.</td>
</tr>
<tr>
<td>Manager's role in promoting ethics</td>
<td>- Work team sessions&lt;br&gt;- Sectional or departmental meetings and open meetings&lt;br&gt;- Practical examples or scenarios and case studies concerning ethics&lt;br&gt;- Educate new employees on code of conduct and policies.</td>
</tr>
<tr>
<td>Enhancing ethics</td>
<td>- Competitions with prizes&lt;br&gt;- Management leading by example&lt;br&gt;- Establishing common understanding of organisational behaviour&lt;br&gt;- Dealing with expectations of behavioural issues&lt;br&gt;- Recruitment process has to ensure that only ethical people are hired.</td>
</tr>
</tbody>
</table>

The themes that emerged from the participant's responses are: ways of communicating ethics, educating external customers, manager's role in promoting ethics and enhancing ethics (see Table 2). There are various ways in which ethics can be communicated. Each communication channel can differ from one organisation to the other. It is also important that the external customers are educated on the ethics of the organisation, in order for them to have a common understanding.
understanding of the organisation they are dealing with. Managers play an important role to share the business conduct to new employees. To enhance ethics in an organisation, management should lead by example. Establishing a common understanding of ethical organisational behaviour also plays an important role in promoting ethics in an organisation. Internal controls and systems in the organisation have to be in place to ensure that ethics is simple and user-friendly. Ensuring that only ethical people are brought into the organisation is important for the reason that unethical people can harm the organisation.

5.3.3 Do you think induction is important and why?

All the participants agreed that induction is important, as it is the first means of contact for new employees. Induction can be used as a welcoming and teaching process and it also sets the stage for how an organisation operates. In addition, induction also helps new employees to be better equipped. The understanding of the organisation and how one’s role fits into the organisation were key insights to this question.

Table 3 Benefits of induction

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives and goals of induction</td>
<td>- New employees are able to gather information from different departments, for example, human resources, finance, commercial, and the core business</td>
</tr>
<tr>
<td></td>
<td>- New employees are exposed to leaders, environment, culture, ethics in the workplace, policies and practices</td>
</tr>
<tr>
<td></td>
<td>- Helps management of the company to get to know the new employees</td>
</tr>
<tr>
<td></td>
<td>- New employees meet senior management.</td>
</tr>
<tr>
<td>Role of the organisation</td>
<td>- Helps new employees to understand the business much better</td>
</tr>
<tr>
<td></td>
<td>- Creates an understanding of the structure</td>
</tr>
</tbody>
</table>
of the organisation and its goals
- Shows how the new employee fits into the organisation.

Topics of discussion in the induction process
- Rules, regulations, procedures, processes and conditions of services
- Code of conduct
- Information on ethics.

The three themes from the participant’s responses are the objectives and goal of induction, role of the organisation and topics to be discussed during the induction process (see Table 3). During the induction process new employees will be able to familiarise themselves with the goals and objectives of the organisation and how they fit in the organisation. New employees will learn how the organisation works and they will also learn about ethics, as this will be a subject on its own during the induction process. Management will be introduced to them and they will also learn where to get resources and information. They will also network with other employees already in the organisation and other new employees as this will help with the socialisation process. The aim of induction is for new employees to get a clear and full picture about the organisation.

5.3.4 Is it a good idea to use induction to introduce ethics in the workplace?

All the participants agreed that induction should be used to introduce ethics in the workplace. Some participants agreed that the timing of induction can play an important role, if induction is done long after employees have joined the organisation then it would be of little significance. Most of the participants acknowledged that induction should be done as soon as employees join the organisation.
Table 4 Promoting ethics to new employees

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics as first contact</td>
<td>- New employees get educated through various activities, for example the culture of the organisation</td>
</tr>
<tr>
<td></td>
<td>- Ethics to be part of every presentation of induction</td>
</tr>
<tr>
<td></td>
<td>- Any unclear expectations to be clarified.</td>
</tr>
<tr>
<td>Expected behaviour</td>
<td>- Conduct in dealing with internal and external customers</td>
</tr>
<tr>
<td></td>
<td>- Ethics to be used as a guideline when carrying out one’s job</td>
</tr>
<tr>
<td></td>
<td>- Policies, procedures and different Acts to act as a frame of reference.</td>
</tr>
</tbody>
</table>

The two themes that emerged from the participant’s responses (see Table 4) are ethics as first contact and expected behaviour. The conduct of employees will depend on how well they are educated by the organisation through various means, for example the policies and guidelines that are available in the workplace. Organisations at this stage become an important source of information on ethics to new employees. The organisational culture and expectations need to be made clear to employees. Each presenter has to bring in an ethics element in their presentation and state the consequences of not being ethical. What the organisation portrays about itself will send a message of what the organisation is all about and employees will obviously learn from it. The key elements that formed part of the ethics discussion in this question were that induction is the process that occurs when new employees get exposed to and “feel” the company. It serves as a fundamental tool to educate them about the environment and culture of the organisation. New employees need to know what is expected from them and how to conduct themselves. Ethics are expected behaviour where policies and guidelines cannot define.
5.3.5 How could the organisation utilise the process of induction to convey the ethics message?

For growth to take place people need to know what is happening in the organisation. There should be a time frame where ethics are discussed, there should, for example, every six months be a presentation on ethics to all employees.

Table 5 Conveying ethics

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ways of conveying ethics</td>
<td>- Role-play thorough knowledgeable experts and real case studies</td>
</tr>
<tr>
<td></td>
<td>- Showing videos on ethics</td>
</tr>
<tr>
<td></td>
<td>- Ethics specialist/champion</td>
</tr>
<tr>
<td></td>
<td>- Leaders imparting their knowledge on ethics</td>
</tr>
<tr>
<td></td>
<td>- Person affected by unethical behaviour telling their story</td>
</tr>
<tr>
<td></td>
<td>- Issuing of booklets</td>
</tr>
<tr>
<td></td>
<td>- Role-plays in theatre form where ethics themes are captured.</td>
</tr>
<tr>
<td>The organisation's role in promoting ethics</td>
<td>- Key holders with an ethics message</td>
</tr>
<tr>
<td></td>
<td>- Competition where prizes are won</td>
</tr>
<tr>
<td></td>
<td>- Detailed presentation with case studies</td>
</tr>
<tr>
<td></td>
<td>- Classroom teachings on ethics</td>
</tr>
<tr>
<td></td>
<td>- Breakaway groups and workshops</td>
</tr>
<tr>
<td></td>
<td>- Organisational behaviour specialist.</td>
</tr>
<tr>
<td>Enhancing ethics through learning</td>
<td>- Promote an ethical culture</td>
</tr>
<tr>
<td></td>
<td>- Feedback from customers on ethical issues</td>
</tr>
<tr>
<td></td>
<td>- New employees to have practical induction with mentor in performing their duties</td>
</tr>
<tr>
<td></td>
<td>- Enough time given for ethics in the induction</td>
</tr>
</tbody>
</table>
|                                            | - Encouraging participation on ethics by ensuring that all employees attend an
The three themes that emerged from the participant's responses are ways of conveying ethics, the organisation's role in promoting ethics and enhancing ethics through learning (see Table 5). New employees may learn more quickly if learning is done as practical as possible. The ethics message may have more meaning if real people with real case studies make presentations. It further becomes more interesting if there are competitions where prizes can be won. The organisation might benefit if they get feedback from customers. The organisation might also like to use every opportunity that presents itself for employees to learn more about ethics; it can be in the form of courses, workshops or any other means that become suitable. Ethics is becoming more and more relevant for organisations and the stronger the message, the better for organisations to maintain ethical employees.

If the organisation is displaying particular unethical behaviour, then it will be difficult to convey the ethics message to employees. Being ethical should start with top management. They should behave ethically and demonstrate ethical behaviour to the rest of the organisation. The organisation should be proud of its ethical standing. A practical example in terms of how to be ethical needs to be pointed out to new employees. Depending on their job, new employees need to be given an exercise to practice being ethical. Check and balances need to be made according to the job requirements and a summary has to be drawn up in terms of what the new employees have done. After that, it should be verified whether it was performed ethically or not.
5.3.6 Please describe how you see the possible role of the supervisor/line manager in introducing ethics to new employees

Most of the participants agreed that the line manager or supervisor should get involved in introducing ethics to new employees. Others argued that this role should be done by an ethics specialist and not by the line manager or supervisor. The key insights that emerged are as follows: The line manager/ supervisor should be educated first before they educate employees on ethics. They should be able to answer any question/s raised by employees. Each department should be governed by its own ethics for example in Human Resources is important to be confidential on issues like salaries. Managers should ensure that their employees adhere to these ethics in their departments.

Table 6 The line manager/ supervisor’s role

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
</table>
| The duties of line manager/supervisor | - Ensure that new employees adhere to ethics  
- Lead by example and be transparent  
- Promote ethical behaviour  
- Share new information with employees  
- Be accountable to their employees  
- Enforce disciplinary measures where things are not right  
- Supervisors must be educated on ethics  
- Encourage employees to be ethical  
- Demonstrate their ethical behaviour to their employees  
- Make new employees aware of the importance of ethics  
- Discourage unethical behaviour  
- Discuss issues that will impact on ethics  
- Assign a mentor to discuss ethics issues  
- Monitor and get feedback from customers regarding ethical issues |
- Act as an ethical role model
- Responsibility of contacting relevant people to introduce new employees to ethics.

| Different ways of communicating ethics to new employees | - Sharing and learning on ethical issues
- Ethics be a standing item in monthly meetings
- Managers to encourage participation in the discussions on ethics on a continuos basis
- Choose a theme on ethics and observe staff for compliance
- Giving incentive for the promotion of ethics, for example day off
- Constantly talk about ethics
- Inviting an ethics specialist. |

From the participant's responses two themes came out, namely the role of the line manager or supervisor, and different ways of communicating ethics (see Table 6). The line managers/supervisor's involvement in ethics can play an important role in the lives of new employees. As new employees work on a daily basis with their managers or supervisors, they can have an impact on how they behave. Managers should be ethical and believe in ethics. An open door policy may enable new employees to seek for clarity and advice if they find themselves in an unethical situation. There are different ways that can be used to communicate ethics. Managers/supervisors might use a technique that is effective to them.

### 5.4 Research questions: new employees

New employees who attended the induction programme were also interviewed and the following is an analysis from their responses. The same procedure was followed as with the line and human resource managers, which was discussed earlier. Their responses also differ as they have little knowledge on ethics and
induction but it is nevertheless important to get their views and ideas on the subject matter.

5.4.1 Do you think ethics is important and why?

All the participants agreed that ethics is important. They felt that ethics should become part of the organisation. They felt that people sometimes took things for granted and that they need to be educated. They also mentioned that it was often the smaller things that could get people in trouble; for example people could get fired when they abuse the company’s property.

Table 7 The importance of ethics

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of ethics</td>
<td>- Organisation’s view on ethics</td>
</tr>
<tr>
<td></td>
<td>- Different backgrounds and cultures</td>
</tr>
<tr>
<td></td>
<td>- Expected behaviour</td>
</tr>
<tr>
<td></td>
<td>- Cultural values and norms.</td>
</tr>
<tr>
<td>Expectations of the organisation</td>
<td>- Change of behaviour</td>
</tr>
<tr>
<td></td>
<td>- New employees have to be educated</td>
</tr>
<tr>
<td></td>
<td>- Behaving ethically</td>
</tr>
<tr>
<td></td>
<td>- Understanding of the organisation</td>
</tr>
<tr>
<td></td>
<td>- Striving to do the right thing because of ethical discipline.</td>
</tr>
</tbody>
</table>

There are two themes that emerged from the participant’s responses (see Table 7). These themes refer to the importance of ethics and expectations of the organisation. In any organisation there are people from different backgrounds and cultures. Cultural values and morals are important and everybody is taught about this in their families. One grows up knowing the difference between what is right and what is wrong. Ethics builds people, and people will have a conscious always and therefore strive to do the right thing.
5.4.2 How can organisations help employees to understand ethics better and be more ethical?

Many participants agreed that there would be a strong impact if ethics were shared by line managers rather than by other departments. Employees should also challenge each other when they see others behaving unethically.

Table 8 Communicating ethics

<table>
<thead>
<tr>
<th>Activity</th>
<th>Example</th>
</tr>
</thead>
</table>
| a) Formal training| - There must practical examples of unethical behaviour and the result/outcome thereof  
                    | - Detailed presentations are required to enhance people’s understanding on ethics. |
| b) Booklets       | These must be handed out to new employees.                               |
| c) Sectional meetings | Platform where managers share information on ethics.                        |
| d) Notice boards  | They can used for educational purposes.                                  |
| e) Workshops      | Having an open discussion to allow for participation.                     |

Ethics should be communicated to new employees through various means. There should be practical examples to enhance people’s understanding on ethics. The themes and examples that emerged that can be used to develop an understanding on ethics are indicated in Table 8.

5.4.3 Do you think induction is important and why?

The benefits of induction are outlined in Table 9.

Table 9 Benefits of induction

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>The reason for induction</td>
<td>- Beneficial for sharing of information concerning the company</td>
</tr>
</tbody>
</table>
- Networking session between employees and managers
- Means of introduction in the organisation and management
- Helps to know what the business is all about, what it does and what the core business is.

Type of information discussed during the induction process

- Expectations, management and resources
- All the departments share what they are all about, for example finance, HR etc.
- How the departments are related
- Where the new employees fit into the organisation and what their roles will be
- Procedures and contact people
- Management team must be introduced
- Relevant issues like ethics, finance etc. to be discussed in detail.

All the participants had to think intensively about why induction is important but all agreed that it is indeed important. The themes that were highlighted were the reason for induction and the type of information discussed during the induction process. It can be concluded that new employees have concerns or fears when entering the new environment. Their fears include the expectations of the organisation and whether they would indeed be able to meet those expectations. What would happen if they could not meet those expectations? The important aspect is to clear the expectations as soon as possible. If there is no induction, new employees will not know what the organisation is all about and what their role therein should be. Induction would help to clarify their role and shed light on how the organisation operates. Different issues should be discussed during induction, such as procedures, expectations, resources and many more.
5.4.4  Is it a good idea to use induction to introduce ethics in the workplace and why?

All the participants agreed that it was a good idea to use induction to introduce ethics in the workplace. The introduction of ethics should serve as an introduction in the induction phase. The themes are shown in Table 10:

Table 10 Promoting ethics

<table>
<thead>
<tr>
<th>Activity</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part of the introduction to the company</td>
<td>Ethics must be given a lot of attention and done separately, it should not be mixed with other topics because of its nature and importance.</td>
</tr>
</tbody>
</table>
| Good foundation                 | -  Ethics must be seen as part of the business  
                                      -  Follow up can be done after the induction in the form of short courses. |
| Good platform to introduce ethics | Ethics is part of the organisation’s culture. |

As there are other various issues being discussed in the induction programme, it is important to ensure that ethics is not overlooked. Using induction to introduce ethics forms a good basis, as an ethics specialist would be presenting ethics in detail.

5.4.5  How could the organisation utilise the process of induction to convey the ethics message?

All the participants agreed that induction could be used to convey the ethics message. The themes that emerged from the participants’ responses are conveying the ethics message and reinforcing ethics (see Table 11).
Table 11 Conveying the ethics message

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conveying ethics</td>
<td>- Case studies with practical examples</td>
</tr>
<tr>
<td></td>
<td>- Invite people who are knowledgeable to do presentation on ethics.</td>
</tr>
<tr>
<td></td>
<td>- Internal communication once per month to employees via e-mail</td>
</tr>
<tr>
<td></td>
<td>- An article on the company’s Intranet on a monthly basis and also be published on the company’s magazine</td>
</tr>
<tr>
<td></td>
<td>- Pamphlets to be distributed</td>
</tr>
<tr>
<td></td>
<td>- Courses presented</td>
</tr>
<tr>
<td></td>
<td>- Workshops can be conducted where role-plays are done to reinforce ethics</td>
</tr>
<tr>
<td></td>
<td>- Website can also be informative in terms of communicating and promoting ethics.</td>
</tr>
<tr>
<td>Reinforcing ethics</td>
<td>- Encourage everybody to participate</td>
</tr>
<tr>
<td></td>
<td>- Put ethics as a measure on individual's compact</td>
</tr>
<tr>
<td></td>
<td>- Organisations to communicate constantly to employees</td>
</tr>
<tr>
<td></td>
<td>- Remind new employees about the importance of ethics.</td>
</tr>
</tbody>
</table>

It is important to encourage all employees to participate in any ethics activities. Ethics can moreover be put as a measure on the individual’s performance contract. Employees will therefore take it more seriously as it will affect them personally as individuals. Organisations have to constantly communicate to employees about ethics and remind them about the importance of ethics. One should remember that all the efforts done to promote ethics do not necessarily mean that people will behave ethically.
5.4.6 Please describe how you see the possible role of the supervisor/line manager in introducing ethics to new employees?

There is a mixed feeling concerning the supervisor's/line manager's involvement in conveying ethics. Some participants felt that line managers/supervisors should get involved. Others felt that line managers/supervisors should not get involved but rather a neutral person in the department who was selected by the line manager. Employees agreed that they would feel intimidated by the line manager/supervisor.

Table 12 The role of the line manager/supervisor

<table>
<thead>
<tr>
<th>Theme</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line manager/supervisor's role</td>
<td>- Managers should talk to employees about expected behaviour</td>
</tr>
<tr>
<td></td>
<td>- Manager to choose five themes on ethics which are discussed in the meetings</td>
</tr>
<tr>
<td></td>
<td>- Supervisor should encourage and motivate employees to behave ethically</td>
</tr>
<tr>
<td></td>
<td>- Line managers should be good examples to their employees.</td>
</tr>
<tr>
<td>Strategy for dealing with ethics</td>
<td>- Supervisors should check up on their employees to ensure ethical behaviour</td>
</tr>
<tr>
<td></td>
<td>- Fellow employees should challenge each other on ethics issues</td>
</tr>
<tr>
<td></td>
<td>- Employees can also challenge the line managers or supervisors when they see them behaving unethically</td>
</tr>
<tr>
<td></td>
<td>- Neutral person to monitor and communicate to employees on ethics issues</td>
</tr>
<tr>
<td></td>
<td>- Employees must be responsible and ethical.</td>
</tr>
</tbody>
</table>
There are two themes that emerged from the participant's responses (see Table 12). They are the line manager/supervisor's role and effective strategy for dealing with ethics. Line managers or supervisors may demonstrate ethical behaviour to their employees. This might ensure that employees strive to behave ethically. In the event of employees behaving unethically, managers should get involved. If unethical acts occur in the department, the neutral person could get involved. Ethics should be talked about continuously and it should form part of discussions in monthly meetings.

5.5 Integration

In this chapter the data was analysed by means of categorising similar themes. In the interviews conducted many participants agreed that induction is an important tool to introduce ethics in the workplace. Their responses indicated that they regard supervisors and line managers as important role players in introducing ethics to new employees. It was observed that there are different methods to communicate ethics in the workplace, for example, through the website, policies and procedures, meetings, booklets, formal training, courses, workshops and many more. Table 13 summarises the main themes that emerged. These themes were discussed in the previous sections.

Table 13 Summary of the main themes

<table>
<thead>
<tr>
<th>1. The importance of ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Moral values</td>
</tr>
<tr>
<td>1.2 Rules of conduct</td>
</tr>
<tr>
<td>1.3 Ethics as the cornerstone of the business</td>
</tr>
<tr>
<td>2. Communicating ethics</td>
</tr>
<tr>
<td>2.1 Ways of communicating ethics</td>
</tr>
<tr>
<td>2.2 Educating external customers</td>
</tr>
<tr>
<td>2.3 Manager's role in promoting ethics</td>
</tr>
<tr>
<td>3. Benefits of induction</td>
</tr>
<tr>
<td>3.1 Objectives and goals of induction</td>
</tr>
<tr>
<td>3.2 Roles of the organisation</td>
</tr>
</tbody>
</table>
3.3 Topics of discussion in the induction process
4. Promoting ethics to new employees
4.1 Ethics as first contact
4.2 Expected behaviour
5. Conveying ethics
5.1 Ways of conveying ethics
5.2 The organisation’s role in promoting ethics
5.3 Enhancing ethics through learning
6. The role of the line manager/supervisor

The next chapter will set out the recommendations and conclusions.
Chapter 6: Discussion and recommendations

6.1 Introduction

An introduction and background to the dissertation was discussed in Chapter 1. In Chapter 2 a literature study on business ethics was conducted. The issues included the importance of business ethics using corporate governance as a frame of reference. Ethical problems faced by organisations were also discussed. Different systems such as codes of ethics and communication systems to help organisations to convey business ethics were also addressed. The purpose and importance of induction was discussed in Chapter 3 focusing on the phases of induction and the role of human resources, supervisors and line management. An outline of the research methodology was provided in Chapter 4. This included the research design, sampling methodology, data collection and data analysis. A description of interviews was provided from the participant's responses.

In Chapter 5 the results of the interviews were analysed from each question. The participants were divided between line and human resource managers and new employees. The purpose of this research is to ascertain whether induction is the right tool to introduce ethics in the workplace and if so, how it can be utilised. From the responses gathered by means of interviews, it is evident that participants agree that induction is indeed an appropriate tool to introduce ethics into the workplace. In answering the research questions some new ideas and insights were discovered.

The issue of further research will be explored in this chapter. Implications for organisations in terms of the findings from the research will be discussed and recommendations will be made. A model for institutionalising organisational ethics through induction will be explored and a reflective analysis in terms of lessons learned and conclusions will be analysed.
6.2 Findings

In Table 1 the research questions and the main themes for each question will be highlighted. An analysis of the themes follows in the next sections. These themes were discussed in Chapter 5. The main themes are based on the participants’ responses. Ethics has to be seen as part of the organisational structure. For organisations to have a strong ethical culture it has to be influenced by top management, and these have to be formalised in one way or the other, for example, in the form of policies, code of conduct, procedures, etc. Ethics was analysed in Chapter 2.

Table 1 Themes related to the research questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Themes</th>
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<tbody>
<tr>
<td>Do you think ethics is important and why?</td>
<td>- Moral values</td>
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<td></td>
<td>- Rules of conduct</td>
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<td></td>
<td>- Ethics as the cornerstone of the business.</td>
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<tr>
<td>How can organisations help employees to understand ethics better and be</td>
<td>- Communicating ethics</td>
</tr>
<tr>
<td>more ethical?</td>
<td>- Educating external customers</td>
</tr>
<tr>
<td></td>
<td>- Manager’s role in promoting ethics.</td>
</tr>
<tr>
<td>Do you think induction is important and why?</td>
<td>- Benefits of induction</td>
</tr>
<tr>
<td></td>
<td>- Objectives and goals of induction</td>
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<td></td>
<td>- Role of the organisation on induction</td>
</tr>
<tr>
<td></td>
<td>- Topics of discussion in the induction process.</td>
</tr>
<tr>
<td>Is it a good idea to use induction to introduce ethics in the workplace?</td>
<td>- Promoting ethics to new employees</td>
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<tr>
<td></td>
<td>- Ethics as first contact</td>
</tr>
<tr>
<td></td>
<td>- Expected behaviour</td>
</tr>
<tr>
<td>How could the organisation utilise the process of induction to convey</td>
<td>- Different ways of conveying ethics</td>
</tr>
<tr>
<td>the ethics message?</td>
<td>- The organisation's role in promoting ethics</td>
</tr>
<tr>
<td></td>
<td>- Enhancing ethics through learning.</td>
</tr>
<tr>
<td>Please describe how you see the possible role of the supervisor/line</td>
<td>- The role of the line manager or supervisor is crucial in</td>
</tr>
<tr>
<td>manager in introducing ethics to new employees?</td>
<td>conveying ethics to new employees.</td>
</tr>
</tbody>
</table>
There are different ways in which ethics can be communicated. Some of them link to the discussion made in Chapter 2, which includes policies, websites, awareness programmes, ethics newsletters, ethics talk, an ethics helpline and confidential reporting. The recruitment process links to Chapter 2 where it was made clear that recruitment strategies have to be aligned with the ethics culture. To ensure that only ethical people are hired involves asking questions, which relate to integrity. From the interviews that were conducted, it was discovered that there are also other ways to communicate ethics. These include, among others, workshops, corporate meetings, booklets, courses, and group discussions.

The benefits of induction were discussed in Chapter 3. Examples of these benefits include preventing a high rate of early leavers, creating a sense of belonging, indicating an employee’s required behaviour, reducing anxiety and uncertainty, and creating an overall positive image of the organisation. These benefits are important in order to help new employees to adapt to their new working environment and learn about the organisation. In some instances induction could help new employees to develop a positive attitude towards the system, its purposes, policies and procedures.

The purpose of induction as mentioned in Chapter 3 is to help new employees to adjust to their new jobs and organisational environment. It is important that new employees receive information on their jobs and how it fits in with rest of the organisation. The following is some of the information that should be discussed during induction to new employees: fringe benefits, compensation, safety, labour relations, facilities, and economic factors, which all form part of the human resources discussions. All these were discussed in Chapter 3.

To understand ethics it is important that employees will have an understanding on the culture and values of the organisation. Cultural understanding can promote ethical behaviour. The cultural systems in the organisation must be
aligned to support ethical behaviour. The concept of culture links with the discussions made in Chapter 2, which emphasised that organisations are developing an ethical culture as part of creating a strong ethical workforce. The issue that that ethical values are prescriptive beliefs about what is right and wrong was reflected on. Ethics and values need to be communicated if they are to have any significant impact on the operation of the business.

Induction is however not the only method that can be used to convey the ethics message. It is the ideal method when conveying ethics to new employees but employees should remain ethical after induction. To ensure that ethics become part of the employee's culture, other methods of conveying ethics should be explored. These include courses on ethics, workshops, meetings and many more, which can be used to enforce the ethical culture.

Supervisors and line managers need to believe in ethics and become ethical role models to their employees. They play an important role in introducing ethics to new employees. These links with the discussion made in Chapter 3 where it was mentioned that line managers play a role in the orientation of new employees and supervisors helps them with their socialisation process in their new working environment. The other roles include briefing employees on policies and procedures and all the relevant information needed by new employees. As new employees will be working with their line managers/supervisors on a daily basis it becomes easier for the managers to share important information with them.

In the following section a model will be used to explain how induction can be used to convey ethics. The model will focus on ethics interventions that organisations can use to convey the ethics message. The role players who are a link to new employees in conveying ethics, the organisational context and the issue of the ethical organisation will also be explored, to ensure that the organisation is able to meet its goals.
6.3 An explanatory model for institutionalising organisational ethics through induction

In order to provide an overview of the way in which the organisational ethics can be conveyed, it was decided to develop a broad explanatory model that can be utilised to create an enhanced understanding of ethics in induction. This model presented in component form in the next sections, whereafter it will be presented as a whole.

6.3.1 Ethics interventions

Organisations have to make interventions where ethics will be discussed. These interventions will help to facilitate the process of conveying the ethics message. They will be a build up to the induction process. Ethics however, should not only be discussed during induction but could be discussed in other ethics interventions and on a regular basis (see Table 2).

<table>
<thead>
<tr>
<th>Table 2 Ethics interventions</th>
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<tbody>
<tr>
<td>• Training</td>
</tr>
<tr>
<td>• Induction</td>
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<tr>
<td>• Mentorship</td>
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<td>• Presentations</td>
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<td>• Ethics talk</td>
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<td>• Workshops</td>
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6.3.2 Important role players

Line managers and human resource managers as shown in Table 3 are an important link to convey the ethics message to new employees. The reason for this is that they are in contact with employees on a daily basis, so it becomes easier for them to communicate ethics regularly. There are of course other role players that are also involved with putting across the ethics message, albeit in a
less direct way. They include the CEO, trainers, the organisation’s ethics manager/officer, internal auditors, compliance officers, etc.

Table 3 Role players

- Human resource managers
- Line managers
- Supervisors

6.3.3. The organisational context

When employees join the organisation, they need to be exposed to the operation of the organisation and the manner in which it functions. Therefore, the organisational context provides a frame of reference for employees to better understand ethics and their responsibility in upholding organisational ethics standards (see Table 4).

Table 4 Organisational ethics context

- Ethical culture
- Ethical climate
- Policies and procedures
- The presence of ethical role models
- Codes of ethics
- Ethics communications systems
- Ethics training
- Ethics Website
- Corporate meetings

6.3.4 The ethical organisation

In view of the above discussions, the goal of the organisation then should be to have an organisation where employees will conduct themselves ethically, and where the organisation is positively viewed and trusted by all its stakeholders
(see Table 5). An ethical organisation can be achieved when there is a strong ethical culture, promoted by different stakeholders, but where the organisation can still achieve its goals (financial and others) in an optimal way.

Table 5 The ethical organisation

| • Ethical organisation   |
| • Ethical employees      |
| • Continuous ethics awareness |
| • Ethical decisions      |
| • Enhanced reputation   |
| • Trust by internal and external stakeholders |
| • Organisational goals achieved |

6.3.5. Institutionalising organisational ethics through induction

The ethics interventions refer to the input that the organisation uses to communicate to its new employees, using different sources through ethical role players (see Figure 1). In doing so, the organisation hopes to transform into an ethical organisation with ethical employees. In order to ensure that new employees feel comfortable in the organisation, managers and supervisors should be properly trained in induction techniques. The purpose of induction must be re-emphasised here, which is to help employees to adjust to their new working environment and to help them to become fully integrated into their work teams. It is important that managers take full responsibility for ensuring that new employees receive full information on ethics. In this way a positive ethical organisational culture will be reinforced.
In this section the implications for organisations in terms of the findings from the research will be analysed.

6.4.1 Implications for organisations

In terms of the responses received from the interview questions, it is clear that ethics and induction play an important role in organisations today. Organisations need to conduct induction as soon as new employees join the organisation. It
will add great value and alleviate confusion for new employees. New employees have a right to know what is going on in the company as soon as possible, in terms of their individual roles and how the organisation operates corporately. Induction should also be done over a certain period depending on the size of the organisation and the information that should be shared with new employees. Line managers and human resource managers have a significant role to play when introducing ethics to new employees. Ethics should not only be part of induction but should become a lifestyle; it should be communicated continuously. Organisations should find ways of communicating ethics in a way that is suitable to them. Enough time should be provided to present ethics and ethics specialists, managers and supervisors should convey the ethics message, as they are more knowledgeable on this subject matter. Top management should play an active role in the induction process, as this will convey a strong message to new employees on the importance of ethics.

Top management does play an important role in organisations, as far as ethics is concerned, since they are confronted in demonstrating their ethical behaviour at all times. Managers and supervisors also play an important role as they have an obligation in the organisation to display ethical behaviour. They have to ensure that they are educated on ethics issues and that they in turn educate their employees. A code of ethics has to be updated to ensure that the organisation is in line with up-to-date ethics aspects. Line managers must be competent in conveying ethics to employees as they are in contact with their employees on a day-to-day basis.

Employees should be able to access information on ethics from their human resources department, the ethics website, booklets, meetings, workshops and any other sources that are made available to them. However, most employees prefer to get information from the human resources department because they will be able to interact with a particular person. Employees view the human resources department as an important source of information where they can seek
assistance on practically anything they can think of. It is important that the human resources department will be able to help employees on ethics information. If the line managers do not have any information on ethics, it is practical that employees will approach their human resources department to get information on ethics. If the human resources department does not have information on a particular issue on ethics, they need to know where to find the information so that they can help the employees.

6.4.2 Implications for managerial education

Tertiary institutions should offer courses around ethics to equip managers and employees. Tertiary institutions play an important role especially if the organisation does not have an ethics office or internal courses on ethics. Managers and employees should be equipped on ethics and be able to go back to their organisations to apply the knowledge learned from these institutions. If possible, ethics should be a compulsory course for all degrees offered by tertiary institutions, as ethics forms part of most aspects in any organisation. This will ensure that not only managers but also all the employees will become knowledgeable on ethics.

6.5 Recommendations for further research

Further research should be done in terms of the extent that value induction adds to new employees. Further methods of conveying the ethics message should be explored in order for ethics to have an impact on all and not only new employees. The interviews were conducted in only one division within a specific organisation. Further research should therefore be done in other divisions and other organizations. The same interview questions can be used, and they may be revised to address shortcomings. The same sample can also be used. Further research should also be done on educating external customers on ethical issues. To ensure that the organisation and its external customers achieve the same
objective, they have to speak the same language. External customers should therefore have a clear understanding of the organisation they are dealing with. It is the organisation’s role to ensure that its customers are on the same level with them as far as ethics is concerned. The other factor for further research is the issue of how organisations can play a role in promoting ethics. The organisation plays a big role in ensuring that employees meet the ethical standard as set by the organisation. If the organisation succeeds in promoting ethics (thus ensuring that all the employees adhere to the ethics policy), this will have a positive impact and ensure organisation’s success on ethical issues.

The following section reflects on the lessons learned and the positive insights that emerge from this research.

6.6 Reflective analysis

There are positive issues that came out of the dissertation. The questions proved that induction is the right tool to introduce ethics in the workplace. The reason for this is that the participants agreed that ethics should be introduced as early as possible when new employees join the organisation. The goal of the research was achieved despite the shortcomings in the dissertation. The dissertation forms a basis for further research and the research questions could be used with some amendments made to them.

New employees forget a lot of the information shared with them during induction programmes. Research interviews should therefore be done as soon as new employees have attended the induction process. More interviews need to be conducted with other role players, for example people who develop policies and procedures in the organisation so as to get a fuller picture. A comparison has to be made with other organisations that have an ethics office to ensure best practice. The researcher should furthermore be involved in the design of the ethics presentation for the induction programme.
The first lesson learned from the research is that more interviews with a larger sample should be conducted in order to get the bigger picture from the participants (fewer interviews make it difficult to analyse their responses). Another lesson learned is that when doing the research with one division within an organisation, one culture is emphasised. It would be beneficial to include comparisons of cultures from other divisions.

6.7 Conclusion

Induction is a means of first contact with new employees. To ensure that new employees familiarise themselves with the conduct of the organisation, a good induction programme should include ethics as an important part of the discussion. As the role of ethics is considered significant for most organizations, more training on ethics should be conducted for managers, supervisors and the human resource department. Organisations who do not have an ethics office should hire an ethics specialist who should be responsible to promote ethics in the organisation. Top management should communicate the importance of ethics to all the employees. This will have a strong impact on employees and they may pay special attention on ethical issues.

The major conclusions from this research are as follows: (1) Induction is an important tool to introduce ethics in the workplace. (2) There are alternative methods, which can be used to convey the ethics message, in order to help employees to better understand ethics and behave more ethically. (3) Human resource managers, line managers, supervisors and other major stakeholders play an important role in conveying ethics to new employees. (4) The major stakeholders play a big role in ensuring that they promote an ethical culture in the organisation through various forums. (5) Building a strong ethical culture does not happen overnight, but it involves a process that requires participation from all parties. The commitment of employees in upholding the ethics of the organisation may very well ensure the success of that organisation in being a balanced and ethical organisation.
List of references


Harrison, W. J. (2002). *Do the right thing*. Executive update feature article.


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The following is a list of responses from the interview questions that was designed for the research. This is an example from one of the participants.

1. **Do you think ethics is important and why?**

Yes – each and every organisation has to be governed by ethics, which becomes rules. It is important to have one cultural understanding of what the organisation expects from employees. Every employee has to have one understanding. Ethics govern behaviour of people in an organisation and they promote good behaviour for an organisation to reach its objectives.

2. **How can organisations help employees to understand ethics better and be more ethical?**

Through induction, it should not stop with induction, there should be sessions on ethics continuously to refresh and communicate on emails like unethical behaviour that happened. Management must lead by example. There should be a tool like Website for people to share information as people can be scared to talk. Business should look at a week to promote ethics not only in the organisation but also in the external environment like communities.

3. **Do you think is important and why?**

Yes – for people to be exposed to leaders, environment, culture, ethics in the workplace, policies and practices of the organisation and to gather information from Human Resources, finance, core business etc. Most importantly to clarify the objectives and goals of the organisation and for new employees to link the roles to their jobs in order to understand how they fit in the organisation. To know where to get information concerning different issues, for example Human Resources, wellness etc. To get a clear picture of the organisation.
4. Is it a good idea to use induction to introduce ethics in the workplace?

Yes – that is the first process that happens where you get exposure and the feel about the company. It serves as a fundamental tool to educate about the environment and culture of the organisation. You get to know the do’s and don’ts of the company for example different Acts (PFMA). To get educated through various people from different departments.

5. How could the organisation utilise the process of induction to convey the ethics message?

An effective strategy is role-play thorough knowledgeable and real case studies. Videos can also be played. Inviting people who deal with ethics on a day to day basis. Promote a culture where the organisation communicates to its employees by giving real examples like issues that people do and it can end up in them loosing their jobs. For growth to take place people need to know what is happening in the organisation. Induction presents an opportunity to meet with leaders who will impart their knowledge on ethics and this is a very important platform for employees to attend and network.

6. Please describe how you see the possible role of the supervisor/line manger in introducing ethics to new employees?

Each department is governed by its own ethics for example in Human Resources it is important to be confidential on issues like salaries. Managers must ensure that their employees adhere to these ethics in their departments. Managers must lead by example and be transparent. If something unethical happens in the department it should be shared and learned. They must promote ethical behaviour like people arriving early and it must be acknowledged. They must share new information to employees. They must make sure that people adhere
to ethics and be accountable to their employees. The manager’s role is to carry disciplinary measures where things are not right.