Case Study on Google’s Code of Ethics

This company I have chosen to write this paper on is Google’s code of ethics (COE) to determine whether it meets the requirements for corporate social responsibility (CSR), complies with the legal mandates and the implications for non-compliance. Google's code of ethics does not exhaustively cover its commitment to corporate social responsibility. Although it specifies the obligation of employees, including the ethical principles and values, as well as workplace behaviour, it fails to mention ways in which the corporation would contribute to environmental protection, improvement of social services in the society, and the financial gain to the government and employees. It does not specify whether the company will be accountable for the impact it has on the society, environment, and the economy. Google’s COE complies with the legal mandates. The corporation explicitly affirms the company’s commitment and obligations when in regards to compliance with the set laws and regulations. It describes the various competitions, insider trading, and anti-bribery laws. Moreover, the code defines the responsibility of employees in complying with the laws and listed corporate values that govern the business. The code of ethics covers workplace conduct, the ethical principles that employees and other stakeholders should abide by. All corporations have a legal requirement to comply with the set laws, regulations, and standards that govern their business. Failing to live up to the federal and state guidelines can have severe consequences. Beyond changing the legal status of the company, non-compliance exposes a company to lawsuits, government audiences, huge fines, and punishment, or even dissolution of the business. Google has developed a precise mechanism for reporting violations. It has enacted a no-retaliatory policy that allows employees to feel safe to report any infringement of the company policies, code, or legal mandates. It has an ethics and compliance committee that handles cases of employees who feel that they are retaliated for reporting violations. The second ethical safeguard is ways of avoiding conflict of interest. The code of ethics lists potential areas where such issues may arise and provides a direction of how employees may approach such situations. It bars employees from engaging in an activity that leads to a conflict of interest and directs them to examine the issue with their managers, as well as ethics and compliance committee.

Google’s Code of Conduct and Development of an Ethical Culture

A COE is an effective tool that companies use to develop an ethical culture. Google’s COE supports the development of ethical behaviour in the organization. As a written code, it provides guidelines and expectations for the conduct of employees. It lays out ways in which employees can avoid conflict of interest and the steps they can take to address such issues. The COE further specifies the conduct in the workplace and emphasizes the firm’s commitment to being an equal opportunity employer and creating a positive work environment. It also provides guidelines on how employees can serve customers by observing integrity, being responsive and useful, observing privacy, and taking action. Over and above, the COE requires employees to observe financial integrity in recording transactions, hiring suppliers, reporting, and spending company money. Overall, the COE specifies the consequences of failing to comply with the guidelines. Consequently, it supports the development of an ethical culture. Employees raise ethical issues or concerns by contacting their managers, ethics and compliance committee, or the HR representatives. They can also submit their concerns through the Ethics and Compliance Helpline or through a government agency. Employees have various resources that they can use to raise ethical issues. They include managers, HR representatives, or the Ethics and Compliance Helpline. Among these resources, the ones I would probably use if the Ethics and Compliance Helpline and the HR representative. The organization remains committed to ensuring ethical and lawful behaviour. We require everyone to comply with all the relevant laws and regulations and the company's ethical standards. This policy lays out how you can report unethical concern. Before reporting, ensure that:

- You have good faith intentions
- You believe that a violation of laws or ethical guideline has occurred
- You believe that the action of reporting will aid the company to comply with the relevant laws and regulations.

You can report in writing or orally to your immediate manager, HR representative or the Ethics and Compliance committee or through a helpline. Reports should have enough information to aid in the investigation. If you believe that you have done the previous steps, but no action has been done, you should contact the board chairman. Every report or concern will be investigated with utmost confidentiality, but in some situations, the organization may disclose the issue to address or prevent similar issues in the future. No one will be retaliated against for reporting either in term of being discriminated, threatened or sacked. Anyone who threatens another employee for making the disclosure or reporting a concern will face disciplinary action that may lead to employment termination. However, the no-retaliation policy would not apply if the reporting is done with malicious intent. The company secretary and counsel bear the responsibility of enforcing the policy. Anyone with concerns about it should direct them to the compliance office. Whistleblowing has several advantages and disadvantages a person must decide before whistleblowing. It exposes the negative business practices that may damage the reputation of the firm or subject the organization to financial loss if the activities go undetected. Thus, paying whistle-blowers' discourages organizations or individuals from engaging in fraudulent activities because they risk being exposed and punished for the same. Giving bounty rewards encourage other people to make disclosures and ultimately lead to enforcement. Although whistleblowing may expose wrong practices, it can be a costly endeavour in terms of the fines or lengthy court cases. Some cases often lead to criminal charges that in turn lower employee motivation and injure the reputation of a firm. Moreover, paying whistle-blowers' may cause problems in the organizations because some of the individuals may be motivated by the financial benefits. It may lead to malicious reporting from uninformed and opportunistic individuals or parties that may lead to wrongful accusation of innocent parties.

Another negative of paying whistle-blowers' arise from the fact that only a few individuals may receive the bounty rewards while a majority of the whistle-blowers' who give out information that fails to culminate in enforcement receive nothing. The money paid to those who make disclosures is for the public. It is obtained from the penalties and disgorgements in SEC's enforcement activities. Therefore, money that investors lost due is used to reward individual whistle-blowers'. Such action undermines the financial interests of the stakeholders. To add on that, paying whistle-blowers' does not lead to behavioural change. On the contrary, individual rewards create a trend where other individuals will aspire to become whistle-blowers' to receive the financial benefits. As a result, such payments may not create a cultural change in organizations. U.S. Sentencing Guidelines were enacted to deter and punish organizations that contravene the set rules and regulations that govern their business. The sentencing guidelines only cater for serious misdemeanours and criminal activities. They incentivize organizations to develop and implement more effective compliance to deter criminal activity and serious misdemours and avoid punishment or fines.

Considering that when a company proves that it had a strong ethics and compliance program, its potential liability reduces significantly in the event of conviction. The sentencing guidelines have enhanced corporate culture, government regulation, and punishment for the offenders. Many companies have bolstered their organizational culture to deter criminal activity. The guidelines have also strengthened the sentencing courts by laying out a structured and standard way of addressing corporate crime and punishing those culpable. Moreover, the regulations have increased the fines for the offender and expanded organizational liability to the shareholders. In overall, the guidelines have created an effective mechanism for encouraging companies to adopt ethical practices and comply. Organizational culpability is determined by several factors. The first one is prior history in violating the set laws and regulations. An organization that is found to have a history of contraventions is more likely to receive tougher sentencing or fines as opposed to one that does not have any prior history of violations. The second factor is tolerance of or participation in criminal activity. When the sentencing court establishes that a firm has directly involved itself or tolerated the misdoing, it may give a harsher punishment than a firm that did not involve itself in the fraudulent activity. The third factor is the ethics and compliance program. An organization can have its potential fine significantly reduced if it demonstrates that it had put in place all the necessary measures to avert the criminal activity.

In summary, Google COE complies with the legal requirements but lacks in the area of CSR.

However, it nurtures an ethical culture by laying out acceptable business practices, guidelines, and responsibilities. The company has a clear policy on reporting unethical concerns as employees enjoy non-retaliation and can use several resources. Although paying whistle-blowers compels corporations to comply and develop ethical programs, others with malicious intent or motivated by financial gains may abuse it. Nonetheless, the sentencing guidelines have forced organizations to be compliant to avoid hefty punishment and fines. However, the degree of sentencing depends on the culpability factors, including previous history, involvement in criminal activity, and the existence of a compliance program.

References

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