



50

CODES OF CONDUCT BENCHMARKED



ISSUE FOCUS:

AUTOMOTIVE



HEALTH SERVICES

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HOW DOES YOUR COMPANY STACK UP?

An organization's Code of Conduct, alternatively referred to as Code of Ethics or Code of Business Standards, is the stated commitment of the behavioral expectations that an organization holds for its employees and agents. Such Codes are now commonplace for most corporations, increasingly shared not only with employees, but with customers and the public at large as well. To be successful, a Code must be believable by all stakeholders to which it applies. Certainly the subject corporation's commitment in action has significant impact. However, how the Code itself is written, what it contains, omits and how it is communicated all play instrumental underlying roles in whether it has the power to influence not only perceptions, but actions. Having reviewed over 800 Codes of Conduct, the Ethisphere editorial team has created the following methodology:

**These Codes were found publicly available on each company's website as of August 16th, 2009. If your Code has been revised and you would like an updated rating, please contact Stefan Linssen at slinssen@ethisphere.org.*

OVERALL GRADE METHODOLOGY:

Each Code is rated by a panel of experts from the Ethisphere Institute and an aggregate score is derived through application of the following sub-scores:

1. PUBLIC AVAILABILITY: 5%

A Code should be made readily available to all stakeholders. What is the availability and ease of access to the Code?

2. TONE FROM THE TOP: 15%

Level at which the leadership of the organization is visibly committed to the values and topics covered in the Code.

3. READABILITY & TONE: 20%

What is the style and tone of the language used in the document? Is it easy to read and reflective of its targeted audience?

4. NON-RETALIATION & REPORTING: 10%

Is there a stated and explicit non-retaliation commitment and dedicated resourc-

es available for making reports of code violations? If so, is it presented clearly?

5. VALUES & COMMITMENTS: 10%

Does the Code embed corporate values or mission language? Does it identify the ethical commitments held to its stakeholders (e.g., customers, vendors, communities)?

6. RISK TOPICS: 20%

Does the Code address all of the appropriate and key risk areas for the company's given industry?

7. COMPREHENSION AIDS: 5%

Does the Code provide any comprehension aids (Q&As/FAQs, checklists, examples, case studies) to help employees and other stakeholders understand key concepts?

8. PRESENTATION & STYLE: 15%

How compelling (or difficult) is the Code to read? This depends on layout, fonts, pictures, taxonomy and structure.

COMPLIANCE & ETHICS



AUTO

PUBLIC AVAILABILITY
TONE FROM THE TOP
READABILITY & TONE
NON-RETALIATION & TONE
VALUES & COMMITMENTS
RISK TOPICS
COMPREHENSION AIDS
PRESENTATION & STYLE
OVERALL GRADE

COMMENTARY

	A	A-	B	B+	C-	C+	F	D+	C+	COMMENTARY
Alaska Air Group	A	A-	B	B+	C-	C+	F	D+	C+	We loved the stark white pages representing Alaskan snow, then we realized those are just normal, white pages.
ArvinMeritor	A	A-	D+	A-	C	A	B	D	B-	CEO's opening statement and commitment to strengthen and improve ethics is reinforced with this strong Code.
AutoNation	A	B+	B	B+	D	A-	F	D	C+	Acronym Alert! Accountability, Conduct, Truth (ACT) is a good way to encourage proactive behavior.
Avis Budget Group	A	A-	B	A-	D	B	C+	B+	B	Great theme for an automotive company, "Taking the High Road," and we liked the pictures of cars cruising down the open road.
Burlington Northern Santa Fe	B+	B+	B	A-	C	A	F	B+	B	BNSF is on track with a Code that does a great job with branding. Nice pictures throughout.
Continental Airlines	A	C-	C+	C+	C	B-	B	D	C	We like how the table of contents focuses on values, but how good is it when there aren't any page numbers for navigation?
Dana Holding	A	D	C	D-	F	D-	F	D-	D	It's a good thing that the Code states, "But it is not the words on this page that matter most," since the words on the page aren't that good.
Delphi	A	A-	C+	A	A	A	C+	D+	B	We're always glad to see a snappy, appropriate acronym: Diversity, Respect, Integrity, Value, Excellence; DRIVE.
Delta Air Lines	A	D	B	A	B	A-	B+	C-	B-	This Code puts Delta one step closer to its vision, "To be the world's greatest airline."
Ford Motor	A	A+	B-	B	B+	A	B+	A-	B+	Great Code. Only thing we're left wondering is, "What black speedster is CEO Bill Ford leaning up against in his executive letter?"
Group 1 Automotive	A	F	C	A-	C	A	F	D+	C	This Code quotes Teddy Roosevelt, Thomas Jefferson and Confucius, but not the CEO.
Hertz Global Holdings	A	D	D	B	D	B	F	F	D+	This Code of Conduct, the supposed cornerstone of an ethics program, is given the same format as just any other Hertz policy.
Johnson Controls	C-	F	D+	C+	C	B-	F	D	D+	The high point for this Code is the clearly stated values section. The not-so-high points are everything else.
Lear	A	D	D	B	D-	D+	F	F	D	If this Code was as slick as a Lear jet, it would get an A for sure. However, right now it's as slick as a frisbee and gets a D.
Lithia Motors	A	D	D-	C	F	D-	F	F	D-	Presentation and style is left up to Microsoft Word. We are curious as to what "30060866.04" means in the footer of each page.
Norfolk Southern	A	A	C+	A-	B-	A	B	B	B	This Code does a great job of emphasizing the importance of safety through learning aids and simple instructions.
Paccar	A	B+	D+	A-	D	B-	C	D	C	Innovative quiz questions and answers, though we wonder if employees will miss them as they are at the very end of the Code.
Penske Automotive Group	A	C	D	B	D-	C	C+	D	C-	Decent, albeit authoritative Code: "Anyone who violates them will be subject to prompt disciplinary action, including dismissal for cause."
PHH	B+	B	C	B	D-	B-	F	D	C	The web only viewability limits of the Code hurts, but not as much as near zero mention of values or commitments to stakeholders.
Sonic Automotive	A	D-	D+	C	F	D	F	D	D	This pig could use some lipstick. A three page Code barely worth reviewing.
Southwest Airlines	A	C	D	C-	F	F	F	F	D	How sad it is for us to give such a bad grade to such a good airline.
Tenneco	A	B+	D	B+	D	A	F	D	C	A very long 61 pages, but on the positive side all that space allows for comprehensive coverage of risk.
TRW Automotive Holdings	A	B	D	B-	D-	C-	F	D	C-	There is a lot of information packed into this compact 8 page code, but leaves little room for covering anything but risk topics.
US Airways Group	A	B+	D+	B-	D	A-	C+	C	C+	Good idea: listing anonymous hotline number on every page. Bad idea: Using clip art that looks like it is from the early 90's.
Visteon	A	A	C	C	C-	C-	F	B	C+	A clean, easy to understand Code with nice Tone from the Top. Could use more learning aids, however.



HEALTH

PUBLIC AVAILABILITY
TONE FROM THE TOP
READABILITY & TONE
NON-RETALIATION & TONE
VALUES & COMMITMENTS
RISK TOPICS
COMPREHENSION AIDS
PRESENTATION & STYLE
OVERALL GRADE

COMMENTARY

	A+	A-	B	A	A+	A	B+	B+	A-	COMMENTARY
Baxter International	A+	A-	B	A	A+	A	B+	B+	A-	The coverage to the Code tells the reader that Baxter believes in Ethics. The following pages leave no doubt that Baxter truly means it.
Beckman Coulter	A	D	C+	B-	D-	B+	F	C	C	We don't know whether to love or hate the clip art that looks like it came from a Hallmark sympathy card.
Becton Dickinson	A	A-	C+	B	B-	A-	F	D	B-	The Code does a fine job of highlighting the company's commitment to whistleblower protection.
Boston Scientific	A	B+	B	A-	B-	A-	B	A	B+	Clam chowder, Fenway Park, Boston Pops and... Boston Scientific's Code of Conduct? Not yet, but a solid Code.
Brookdale Senior Living	A	B+	D+	A	B-	B-	F	C+	C+	Might set the record for acronyms fit into a single sentence. Too much of a good thing.
Centene	A	A-	B	A-	B-	B	A+	B	B	This Code looks so sharp that it could cut lemons. Truly excellent learning aids.
Health Net	A	A	B+	A	A	A+	A	B+	A-	Along with highlighting the values of the company, Health Net has gone the extra mile by listing relevant policies with risk topics.
HealthSouth	A	A	B-	A-	B-	B+	F	C+	B	It's great to see that this Code's executive letter is signed by the Chairman of the Board, the CEO AND the Chief Compliance Officer.
HealthSpring	A	D-	D	C-	F	C+	F	F	D	When a Code uses the word "notwithstanding" at least 8 times, we know the readability will be "notoutstanding."
Humana	A	A	B-	A	B-	A	A	B-	B+	Humana includes everything you would expect to see in a great Code of Conduct, including a theme, quotes from executives and an index.
Kindred Healthcare	B+	C	B-	A	B	B-	F	D+	C+	Great commitment to non-retaliation, but the Web only format and zero learning aids hold this Code back.
Kinetic Concepts	A	D+	D+	B	C-	B+	F	C+	C	Using "KCI Personnel owe a duty of undivided loyalty to KCI" as an opening sentence and a pull-quote makes us wonder KCI's value of work-life balance.
LifePoint Hospitals	A	A-	B+	B	A-	A-	F	B	B	If you didn't know before, the numerous pictures of nurses, doctors and patients make the reader clear what kind of business LifePoint is in.
Magellan Health Services	A	D	C	B	D	B-	F	D+	C-	Acceptable but unremarkable language: "The highest standards of ethics and integrity are required of every Magellan employee."
Medical Mutual of Ohio	A	B-	C	B+	D	D-	F	D+	C-	"Medical Mutual discourages romantic relationships between employees throughout our organization." Where has the romance gone, Ohio?
Medtronic	A	A	D+	B	A-	B-	F	B-	B-	"It starts with me, Mission Ethics." We know anything with a slogan is better than something without.
PharMerica	A	D+	D	B-	F	D+	F	F	D	PharMerica's code is Phar Phrom Phantastic. A stern, authoritative tone makes this Code uptight and employees scared of whoever wrote it.
Psychiatric Solutions	A	D-	D	C	F	F	F	F	D-	FYI PSI, your workers need more to read than this 3 pager.
Select Medical Holdings	A	B+	D	A-	C	A-	F	D	C+	A very thorough Code, but lacking in aesthetics and learning aids.
Sunrise Senior Living	A	A	B-	B	D	C+	C+	D+	C+	Sunrise has 8 executives sign the executive letter, including numerous VPs and the CFO. Sadly, this is the only highlight.
UnitedHealth Group	A	A-	B	A-	B-	A	B+	B	B	This Code utilizes learning aids in just the right places to make sense of the often confusing world of Health care.
Universal American	A	D	D	C+	D-	C-	F	F	D	This Code gives sleeping pills a run for their money.
Universal Health Services	B+	F	D	F	F	F	F	D	D-	This Code is short. How short? Try less than a thousand words. And every sentence begins with "shall" or, more often, "shall not."
Vanguard Health Systems	A	F	C+	B+	D	C+	F	F	C-	A decent Code that contains a lot of healthcare specific information, but is missing basics such as a table of content or pictures.
WellCare Health Plans	A	D	C	B	C	C+	F	D+	C-	A no-frills Code. While the important information is all there, the Code is formatted like a term paper for English class.