

## **AN ETHICS MODEL TO CREATE AND SUSTAIN AN ETHICAL ORGANISATIONAL CULTURE**

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Recent media exposure of organisations that have collapsed due to corruption and unethical management practices have emphasised the need for implementing some type of preventative measures. Unethical practices and corruption, especially, is usually seen as emanating from government or public sector level. However, the private sector is not insulated from such activity and corruption and unethical behaviour can lead to institutional failure which bodes adversely to the economy of any country. Furthermore no economy or country is protected from such events, with the Enron and Worldcom debacles as good cases in point.

Therefore every private sector organisation must be vigilant regarding matters of corruption and unethical behaviour, seeing that it could curtail future investments in such organisation and in such economies in general. Thus at a micro level every organisation must have a dedicated person or department taking responsibility for ethics within the organisation. Human resource professionals are becoming more involved in ethical issues within the organisation and are in a better position to persuade employees that ethical behaviour will ultimately produce beneficial results.

Various human resource management activities are imperative to the smooth functioning of an organisation. Business and management research has indicated that effective human resource management contributes to organisational success. Human resource professionals are becoming more involved in ethical issues within the organisation and are in a better position to

persuade employees that ethical behaviour will ultimately produce beneficial results.

Driscoll and Hoffman (1998) state that the human resources department is ideally suited to the developing of an ethical culture within the organisation as the human resource leaders are respected in their organisation for possessing integrity, having the ability to solve complex ethical dilemmas, understand the organisation culture and the ability to communicate well at all levels. These traits are essential in leading a successful organisational ethics initiative.

The epistemology of this paper is based on the perspective that unethical behaviour and corruption is undesirable and that machinery must be put in place at the firm level to guard against a generalized and economy wide private sector (and not excluding the public sector) corruption and unethical behaviours leading to institutional failure and disinvestment campaigns in South African firms.

This paper will present an ethics model that can be used to establish and support an ethical organisational environment and highlight the results obtained from the empirical study conducted within the automotive cluster in the Eastern Cape Province.