# ORGANIZATIONAL ETHICS AT HARRIS & ASSOCIATES: (B) COMMUNICATING & IMPLEMENTING ETHICS AND VALUES

David W. Gill
www.ethixbiz.com

## Case Synopsis

During a five-month period from August to December 2005, construction and project management firm Harris & Associates (www.harris-assoc.com) based in Concord, California, carried out a project to define and articulate its company ethics and values. Harris & Associates was founded by engineer Carl Harris and two associates in 1974. Over the next thirty years the company established a reputation for high quality work with high integrity. The company delivered project and construction management services, specializing in public works projects such as water and wastewater treatment plants, hospitals, schools, roads and highways. By 2004 the company had grown from its original three employees to a workforce of some 400, and from one main office to include nine branch offices around the western United States.
With the growth and dispersion of the company, and the beginnings of a leadership transition from Carl Harris and other long time veterans to a new generation of executives, the challenge was to take steps to define and preserve the ethics and values that had been an integral part of Harris & Associates' success. In the fall of 2005 the company designed and executed a careful process to define and articulate its mission, vision, core values, and ethical guidelines. At various points in the process everyone in the company was asked to contribute their insight, ideas, and advice. By the first of January 2006, the "Harris Way" was rolled out to the company and the public.

What followed was a three-year program (2006–2008) to communicate and implement the Harris Way. Every person in the company had to be educated and trained on all aspects of the Harris Way. Every aspect of that Harris Way --- the mission, vision, values, and ethics --- had to be implemented. Talk was important but only if the company also "walked the talk." This case describes what Harris & Associates did to communicate and implement its ethics and values over that three-year period. The case culminates in the questions: How can a company measure its effectiveness in communicating and implementing an ethics and values program? How successful was Harris & Associates in these tasks? How could they do it all better?

## Case Learning Objectives

This case is appropriate for advanced undergraduate or graduate courses in business ethics and organizational development. By working through this case, students will wrestle with the options and choices necessarily made in the course of developing an effective ethics and values communication, training, and implementation program for an organization. While closely following the narrative of what Harris & Associates did, and hearing the reasoning behind Harris's choices, students will research what other companies have chosen to do in similar circumstances and thus be exposed not just to an abstract theory but to practical, managerial decisions. What are the various options? What communication means and channels should be used? Who should be responsible? What role does senior management play? What is the role of technologies such as online training programs? Is there a role for outside consultants or vendors? And in the end, how does a company know if its efforts have been effective? How can a company ethics program be audited, assessed or measured?

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# (B) COMMUNICATING & IMPLEMENTING ETHICS AND VALUES

## Introduction

Harris & Associates President Guy Erickson came into January 2006 feeling great about the big project his company had completed just before Christmas in December 2005. Almost every one of the 400 employees had contributed in some way to a five month project to define the mission, vision, core values, and ethical guidelines that comprised "the Harris Way" of doing business. Under the leadership of ethics consultant David Gill, an Ethics Project Group (EPG) composed of founder and board chairman Carl Harris, president Guy Erickson, vice-presidents Neil McCosker, Jim Parmley, Vern Phillips, and Marie Shockley, and communications manager Tanya Wollman, had led the company through the successful project.

The Harris Way project in fall 2005 was not about *inventing* a mission or some core values and ethical guidelines; it was about *identifying*, clarifying, and articulating what had characterized the company over the previous three decades as it grew from three employees to 400, and from one office to ten. Not all construction and project management firms have the same commitments to ethics or the same business values and practices. Harris & Associates liked to think of itself as a different kind of company, a maverick of sorts, where its services achieved the highest levels of excellence and business success --- but always with a view that people come first. As its new mission statement declared, Harris was about "helping clients, employees, and communities succeed through industry leading management and consulting services." Their vision was not to become the biggest but rather the "excellence and integrity leader" in their industry.

The values and ethics of Harris & Associates were grounded in the character and ethics of founder and leader Carl Harris, first of all. Carl "talked it" and he "walked it" in the midst of his company. And certainly it wasn't just Carl Harris: long time company leaders like Guy Erickson, Neil McCosker, Bob Mimiaga, Dave Newton, Jim Parmley, Vern Phillips, and Marie Shockley were equally committed to the company's high ideals and values and were a dynamic, living testament to, and resource for, the Harris Way.

But by 2004 – 05 the company was long past the time of being under one, or even two, roofs. Now it was nine roofs around the western USA. And there were no longer just one or two hundred people to know and influence, there were nearly four hundred. And, finally, Carl and his leadership team could see that over the next five years or so several of them might be retiring as part of a major leadership transition. In these circumstances it became an urgent priority to define the Harris Way, to do something strategic and wise to preserve the values and ethics heritage of the company.

With the publication and posting of the Harris Way in January 2006, not just the board of directors and operational leadership of Harris but the whole company, it seemed, was very proud of its collective accomplishment – and not just the *content* of the product but the *process* by which it was created.

It was obvious to Guy Erickson and his leadership staff, of course, that this important accomplishment was a first step, not the whole way to ethical health at Harris & Associates. After all, famous firms like Arthur Andersen and Enron also had substantial, even impressive, codes of ethics --- the mere possession of which did nothing to prevent their downfalls. The essential next steps at Harris would have to address the communication of the Harris Way (the talk) and the implementation of its approach (walking the talk).

Ethics consultant David W. Gill, who had led the process to identify and articulate the Harris Way in fall 2005, was retained on a part-time, hourly basis, to work with President Guy Erickson and VP of Human Resources Marie Shockley on a three-year plan for 2006 – 2008. The goals were to communicate the company's values and ethics, educate the company's personnel, and promote the implementation of the Harris Way in the culture and practices of the company.

Until January 2006, "ethics training" at Harris was an informal mentoring process. Carl and his leadership team were an up-close-and-personal, living, breathing ethics and values resource for everyone in the company. They could personally embody and communicate the ethics and values. They were omnipresent ethics consultants, trainers, and mentors. But when the number of employees doubled or tripled, and when hundreds of miles separated multiple branch offices, what would replace that personal mentoring?

It would not be enough simply to put a printed copy of the 23-page, spiral-bound "Harris Way" in front of each employee, not even if they were instructed to review the document and sign a form agreeing to comply with its standards and guidelines. Something much more comprehensive and systematic was required.

Table 1: **Harris Growth from company founding in 1974**

| **Year** | **Employees** | **Branch Offices** | **Gross Revenues** |
|---|---|---|---|
| 1984 | 36 | 0 | $ 3 million |
| 1994 | 140 | 2 | $14 million |
| 2004 | 382 | 9 | $58 million |

Table 2: **Distribution of Harris & Associates Offices, 2008.**


**Company Background**

After earning his bachelors and masters degrees in civil engineering at San Jose State University, Carl Harris worked for four years (1967-71) for Consoer Townsend, a large engineering firm headquartered in the eastern United States. At Consoer Carl became colleagues and friends with engineers Dave Newton, Jim Parmley, and Larry Timmer, all of whom would later play important roles at Harris & Associates. “Consoer,” Jim Parmley said, “was the kind of big, bureaucratic, impersonal organization where employees joked that you had to fill out a set of requisition forms just to buy a box of pencils!” Looking back, the Consoer Townsend experience was a defining one for Carl and his colleagues. Harris & Associates would become the antithesis of the Consoer culture. Harris & Associates was about valuing, trusting, and empowering employees. It was about family, sharing, fun, and celebration.

In 1971 Carl Harris, Dave Newton, and Bob Mimiaga joined Lampman & Associates, a smaller firm based in Los Angeles. It grated on Carl that some of the company’s practices crossed into ethical grey areas, such as billing a city for work that was barely underway and not yet completed; “Don’t worry, they’ll pay up right away without questioning,” Carl was told. In 1974, Carl left Lampman and, with sanitary engineer Dave Newton and office manager Roxie Leal, founded Harris & Associates in Lafayette, California. Their company was launched with contracts for wastewater treatment plant construction in the towns of Rio Vista and Ceres, California. Rio Vista's city engineer at the time, Neil McCosker, would join Harris & Associates in the early 1990s and soon after begin serving at the Vice-President and Board of Directors level. Construction manager Jim Parmley, and engineers Larry Timmer and Bob Mimiaga joined the staff in the mid-1970s to help with the growing construction and project management business.

From the beginning Harris & Associates decided to concentrate on the public works arena rather than serve private real estate developers and builders. Carl described the choice this way: "A city or county agency would always know that we would not one day work for them and the next day show up representing a private developer seeking something from that same public agency. It eliminated a huge source of potential conflicts of interest." Working with Caltrans and various state, county, and city departments and agencies, Harris & Associates designed and managed public infrastructure including water and wastewater treatment plants, roads, hospitals, schools, and the like. They took pride in carefully and responsibly managing budgets for communities and the public --- and delivering high quality, reliable engineering, consulting, and management services from project start to finish. The workforce and number of branch offices grew steadily and organically through the decades. In 1980 engineer Guy Erickson came on board and by 2002 was appointed President of the company, succeeding Carl Harris who backed off from the day-to-day operations side but continued to serve as Chair of the Board. In 1988 engineer Vern Philips joined the team and was named a Vice President in 1995. Marie Shockley, Vice President for Human Resources, joined Harris in 1990.

Harris & Associates was a privately-held California corporation. After one year of service all Harris employees were eligible to participate in an Employee Stock Ownership Plan (ESOP) --- and most took advantage of the opportunity. ESOP participants did not automatically have shareholder voting rights. To be recognized as a voting shareholder required at least five years of recognized leadership and significant contribution to the company. The roughly 45 voting shareholders annually elected the Board of Directors. In 2004-05 the board chair was Carl Harris and among the other members were President Guy Erickson, VP/COO Neil McCosker, VP/Director of Marketing and Business Development Jim Parmley, and VP Vern Phillips.

If there was one characteristic for which Carl Harris and his associates were best known, it would be how they respected, valued, and cared for their employees. The employee stock ownership plan was but one example. Generous in salary and in benefits (health care, dental coverage, retirement savings plans, educational support ($1500 per year), and gym memberships ($200/year)), Harris tried to take care of its people. One of its most distinctive benefits was the ten or twelve vacation homes the company had leased in Lake Tahoe, San Diego, Mendocino, Pismo Beach, Mammoth and other resort areas, and which were available to *every* employee for one week per year (location and schedule based on seniority) for only a nominal house cleaning fee.

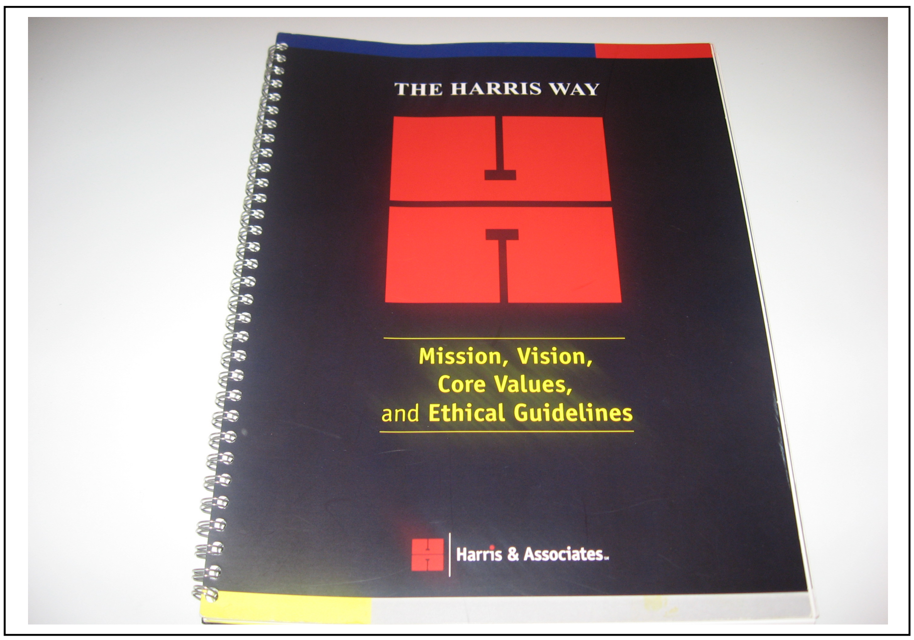
**Ethics Communication, Training, & Implementation Project Leadership**

During the fall of 2005, consultant David Gill led the company through a process to define and articulate the Harris Way (Exhibit A), the mission, vision, core values, and ethical guidelines of the company. Working with consultant Gill on this initial project was an ethics project group (the "EPG") composed of Carl Harris, Guy Erickson, Vern Phillips, Neil McCosker, Jim Parmley, and Marie Shockley --- the senior executive leadership of the company in the Concord headquarters --- plus Corporate Marketing Manager Tanya Wollman (who had joined Harris in 2000). Now the communication, training, and implementation program would be driven by a smaller group composed of ethics consultant Gill, company president Erickson, and VP of Human Resources Shockley.

**Initial Roll-out of the Harris Way**

In January of 2006 Harris & Associates was ready to publish a beautiful, 23-page, spiral-bound print version of The Harris Way. It looked great and felt substantial. During the early Spring of 2006 every employee was given a copy of this document. Of course, receiving the Harris Way booklet was hardly a surprise to employees in Spring 2006 since most of them had participated in its authorship and review the preceding few months. Approximately seventy managers had played the major role in identifying the six core values of the Harris culture at a retreat at Tenaya Lodge in Yosemite, California. After being given the emerging but still provisional mission and vision statements of the company, they were asked to help identify the core cultural characteristics necessary to achieve that vision and carry that mission. They were encouraged to suggest modifications and improvements to the mission and vision statements themselves.

Then at a company-wide HarrisFest (a 36-hour gathering of most or all Harris employees every twelve to eighteen months) at the beginning of November 2005, all attending employees were presented with the provisional statements of mission, vision, and core values and asked (a) to make comments and suggestions. The employees were put through an hour-long exercise at the HarrisFest in which they were asked (b) to write ethical guidelines for their own business activities and practices at the company. The concept was to write guidelines that could be provided to new (or uncertain) employees if company veterans were not available to mentor and assist the questioner. Because of this process involving all managers and employees, few Harris people were surprised when the final product arrived in their hands in early Spring 2006.




**Basic Materials and Resources**

After the initial distribution to everyone in the company, the Harris Way booklet was distributed to all new employees as part of their orientation from 2006 onward. In addition to the print version of the Harris Way, an electronic copy was posted at the company's public web site. While some companies were secretive about their ethics and values, many others were forthcoming and transparent about what they stood for. Harris & Associates was definitely in the latter category. From their point of view, what could possibly be lost by making public one's company ethics and values? As President Guy Erickson put it, “All stakeholders affected by our company should know where we stand: clients, business partners, subcontractors, political and community leaders, journalists, and even competitors. Making our values and ethics public sends a clear message about who we are and how we intend to relate to anyone with whom we do business.”

Publicizing company values and ethics was, for Harris, a way of accepting responsibility and inviting accountability. It was also a way to set an example and send a message to the construction and project management industry --- and even beyond. “Making our Harris Way public,” said Vern Phillips, “may encourage other firms in our industry to step up, set the ethics bar higher for everyone, and resist the tendency you see sometimes in the business world to migrate to the lowest common denominator.”

**Visual Working Environment Messages**

A booklet like the Harris Way, even if it was lying on a table, might be ignored. “We didn’t want the Harris Way to be nothing more than a coffee table decoration or, worse, get filed away and lost among the books and materials in our offices,” said Guy Erickson. For such reasons Harris & Associates took some simple steps to put the ethics and values message into the working environment. Harris wanted visual reminders of its ethics and values scattered around the work environment. A wall poster of the mission, vision, and core values was prominently placed on a wall of every branch office --- often in a conference room. A smaller poster of the same content was available to anyone in the company who requested it.

In a highly symbolic move, a large wall just inside the entry to Harris headquarters in Concord CA interspersed plaques with the Harris mission, vision, and core values with photos of dozens of the people of Harris. The message was clear: the Harris Way is embedded in the people; the people carry and exhibit the Harris Way. The six core values were also printed on a Harris coffee cup which found its way throughout the organization. The coffee cup was intended to sit on desks quietly reminding everyone of the six core values. It also had the company name and web site address for the benefit of any non-employees to whom the cups might be given. “The primary message was the six core values,” said Tanya Wollman, whose office designed the cup, “but with the company name and web address the cup could also serve like a business card sitting on someone’s desk --- giving contact information as well as a values profile to prospective clients. As the Marketing Director I loved that!”

During 2006, all participants in either the face-to-face ethics workshops or the online training, were given a Harris coffee cup on completion of the program. In 2007 the takeaway item was a desk clock picture frame with the six core values inscribed on the frame. In 2008 the training completion gift was a flash drive (memory stick, thumb drive) with the six core values on the handle. A key chain and a mouse pad were among other ideas considered for future giveaways that helped keep the core values and ethics in the visual working environment.



**The "Wall"** **Poster & Coffee Cup**

**Company Presentations & Newsletter Articles**

Following the manager and employee meetings of fall 2005 there were no large group, dedicated, live ethics and values presentations to the same broad audiences during 2006 – 2008. However, president Guy Erickson did include some ethics and values reminders in his roughly twice-yearly webcasts on the state of the company. The general, company-wide presentations on ethics and values were provided in print and online, rather than orally and in person.

Harris executives were gratified to hear occasionally of ethics and values discussions in branch office and staff meetings, especially since they were not responsible for planning, much less requiring, such activities. "We viewed it as a very positive sign," Guy Erickson remarked, "whenever we heard of ethics and values discussions breaking out in different parts of the company. But 'no' we haven't counted or kept track of these spontaneous eruptions! Remember also that at our 2007 HarrisFest we had a public contest on stage for the best original “limericks” our employees and managers could come up with using our six core values. That was a fun experience.”

The monthly “Harris Highlights” company newsletter became probably the most significant, and certainly the most regular, communication channel for the Harris Way. During 2006 – 07 “Harris Highlights” was a print publication about 16 pages long, filled with project and personnel news around the company, birthday and anniversary news, photos of work projects and branch office celebrations, job postings, and calendar items. In 2008 Harris Highlights ceased its print publication and became completely online, but continued the same features and functions. With all of its people names and news, Harris Highlights was avidly read by most company employees. “Harris Highlights was really a perfect channel for ethics and values communication to our company,” said Guy Erickson.

Beginning in April 2006, page 3 of Harris Highlights, the first thing a reader sees on opening the publication, was dedicated to a brief essay about some aspect of the Harris Way. Thus, April 2006 was about the “client focus” of Harris’s mission and vision. May 2006 concerned the “employee centered” theme and June 2006 was about how the Harris mission and vision were “community minded.” From July through December 2006, the page three essays reflected on the six core values of the Harris culture: Integrity, Quality, Reliability, Respect, Teamwork, and Fun. The twelve months of 2007 saw page 3 devoted to the twelve basic principles of the Harris ethical guidelines. (During most of 2008, Harris Highlights took a break from the regular ethics and values columns but resumed and expanded the emphasis in 2009).

For the Harris Highlights ethics and values articles, ethics consultant David Gill contributed as researcher and partial “ghost writer” for president Erickson, under whose byline the essays appeared. Gill provided definitions, explanations, business quotations, and illustrations for each of the topics to be treated in the newsletter. Erickson quoted or rewrote what he found useful in Gill’s work but always added his own take on each topic and some concrete illustrations of the particular value or guideline in the lives of Harris employees. For example, a column on the core value of Teamwork would draw on Gill’s research but culminate in stories from Erickson about exemplary teamwork in the company. The same pattern was followed every month: every concept was illustrated from the Harris “trenches,” with names, dates, and facts accounted for.

Putting the ethics and values columns on page 3 was itself a statement of importance. Providing the concrete and personal illustrations of every theme and topic not only attracted readers (“personals” are always among the most popular journalistic features) but conveyed the message that these ideals and values must be, and were being, implemented in daily work at Harris. Back issues of the Harris Highlights columns and essays were posted on line and have been edited for eventual republication in a small booklet to render them available to a wider audience.

**Recruiting, Hiring, Orientation**

As a matter of course, all new employees from 2006 forward were given a print copy of the Harris Way, informed of the company web site, and provided some basic introduction to the Harris Way and its importance during new employee orientation. An assigned veteran mentor and/or one's supervisor was also available to new employees to answer any questions about the Harris Way. Even prior to being hired, job inquirers and applicants were directed to the Harris Way to be sure they were aware of the company's ethics and values. "We did not create any sort of formal screen or template to use with job applicants, interviewees, or even in new employee orientation," said VP of Human Resources Marie Shockley, "but the emphasis on the importance to us of the Harris Way was always made very clear."

**Ethics & Values Workshops**

Harris leaders had noted even before beginning their own ethics and values project in 2004 – 2005 that some companies, including many of their competitors, required no ongoing ethics and values training. Many others, however, especially larger companies, relied on annual (sometimes even quarterly or semi-annual) ethics training, usually in the form of an on-line module to be completed by each employee. Often requiring an hour's attention, the typical on-line ethics training session introduced concepts and presented problematic ethics cases to test one's knowledge and skill in applying company standards. Participants were instructed to click the correct answer from among multiple choices in order for to advance the program slides to the completion of the training program.

Done well, Harris noted, on-line ethics training programs had the virtues of flexible scheduling (individuals could complete the training at any convenient time and place) and scalability (the cost of production and training was essentially the same no matter how many people took it). Something could certainly also be said in favor of having a consistent, standardized training content and approach.

Harris's choice, however, was to strongly urge, if not quite "require," all of its employees to participate in one face-to-face, two-hour, ethics and values workshop per year, beginning in 2006. (See Exhibit B for 2007 program slides). These workshops were usually scheduled at the start (e.g., 8:00 – 10:00 a.m.) or end (e.g., 3:00 – 5:00 p.m.) of the work day. Each workshop would have 15-25 Harris employees led by two executives or managers. Approximately twenty workshops were scheduled each year, located in the different offices of the company to maximize opportunities for attendance in all areas.

The workshop sessions began with a welcome and with participants introducing themselves. The workshop leader reminded everyone of the basic mission and vision of Harris & Associates and explained that ethics and values were intended to help the company achieve success and excellence in those purposes and goals. Each year (2006, 2007, 2008) the workshop content focused on two of the six core values of the company. During 2006, integrity and respect were the themes; in 2007, quality and teamwork; in 2008, reliability and fun. Following the introductory comments about mission and vision, each of the core value definitions from The Harris Way was displayed on the screen. For example (from 2006), *"Respect: everyone is important. We value and respect every member of our team---whatever their role---and each of our clients, business partners, and communities."*

Workshop participants were then asked to describe experiences where they saw respect lived out and practiced in the company. This was often an inspiring and encouraging exercise. After ten or so minutes of such sharing, the second discussion question was "What, in your opinion, are the obstacles or challenges we sometimes face in living out our value of 'respect.'?" The next ten or fifteen minutes of employee sharing brought realism and practicality to the exercise.

Following the opening 45 minutes which wove together the mission, vision, and the two core values of that year's training, the workshop agenda moved to a brief review of the ethical guidelines and the recommended reporting and trouble shooting method of The Harris Way. Two or three specific ethics problem cases were written by Gill, Erickson, and Shockley for each of the two core values being emphasized that year. One case might describe a situation where a supervisor was disrespecting an employee, perhaps not taking their expertise seriously in a dangerous, high stakes project. Another might concern how to respond when a client disrespects and insults a colleague or business partner. Workshop participants were divided into smaller four or five person breakout groups to discuss a "respect case" and then reassemble to share "takeaway insights" with the whole group. The process would be repeated with sample cases related to the second value (e.g., teamwork, integrity, quality, etc.).

One lesson intended by the Harris ethics workshop format was the integration and alignment of mission, vision, core values, with the ethics code, problem case analysis, and decision-making. Ethics, at Harris, was not a narrow, reactive, defensive, legalistic exercise but a holistic organizational health issue. Second, ethics at Harris was a "team" effort. "Sitting by yourself in front of a computer screen communicates a message that ethics is an individualistic activity. Meeting in a workshop group with lots of discussion and debate sends a much different message," explained Guy Erickson. Third, the Harris workshops inevitably would show the ambiguity and complexity of ethical issues as different people expressed their viewpoints and this quality reflected the reality of ethics in the business trenches. The artificial neatness built into computer training programs could not capture the human complexity in real-life ethical drama. "We don't get neat agreement on all cases we discuss in our workshops. But that's real life. The issue is how to hear each other out and move forward as wisely as possible," said Erickson.

Aiming for just two hours of ethics workshop participation per employee per year did not seem like an unrealistic, excessive goal for the organization. The reality, however, was that every week and even every day of the working year was full of urgent tasks and demands and without careful scheduling and strong leadership from the top, attendance would be limited. The in-person Harris workshops turned out to have some unexpected benefits beyond the ethical content. “Without any doubt, traveling around the company co-leading these ethics and values workshops did a great deal for my awareness of our company and its people – and their appreciation of the company president spending time with them,” said Guy Erickson. Employees enjoyed meeting fellow workshop participants from other departments and job specialties. Senior management and employees valued the opportunity to be brought together in a moderate-sized group. Communication, culture, and community all benefited from the program.

The annual Harris ethics and values workshops were typically designed during the first third of the calendar year and then offered throughout the company mostly in the May to early November time frame. In the early fall, a simplified, online version of the workshop content was created so that anyone who had been unable to attend a workshop in person earlier in the year could get much of the content online in November or December. This was viewed as “Plan B” ethics and values training, not Plan A at Harris. Nevertheless, it did have real value and was much better than no training at all. Because of travel and work schedule conflicts, almost half as many employees had to opt for the online ethics and values program as for the in person workshops.

Attendance was essentially flat over the three years (a slight decline occurred in the head count). Three-quarters of the Harris workforce took the training each year. Roughly one-quarter of the workforce was unable to participate in either the in-person workshops or the individual on-line training program. Managers were instructed to make time for themselves and their direct reports to get the training in; the workshop atmosphere was congenial and good food and beverages were always provided. A small gift (coffee cup, clock, flash drive) was given to the participants. Nevertheless, Harris & Associates ended its three-year communication and training program looking at ways to improve its participation beyond the 75% or so it typically got each of its first three years.

**Table: Ethics & Values Workshops & Online Training 2006-2008**

| | **In-Person Workshop Participants** | **On-Line Session Participants** | **Total Completing Ethics Training** | **Total Employees (December)** |
|---|---|---|---|---|
| **2006** | 225 | 125 | 350 | |
| **2007** | 208 | 110 | 318 | |
| **2008** | 209 | 101 | 310 | |

**Implementing the Harris Way throughout the Company**

For Harris & Associates, the goal was not just communicating but *implementing* its mission, vision, core values, and ethical guidelines. Harris didn’t just want to “talk a good line” in ethics; it was determined to “walk the talk.” How would the company “walk” or implement its mission? The mission was in effect the ultimate “boss” of company strategy. The mission said “No” as well as “Yes.” The mission *excluded* possible projects, directions, and activities if they did not clearly fall within its range of purpose. Positively, the mission stimulated and generated business development. The Harris mission was to "help clients, employees, and communities succeed through industry-leading management and consulting services." The mission would be truly implemented when company leaders searched for and found bold new ways of helping new and old clients, employees, and communities succeed. It would be implemented when the company strove to create, extend, and exhibit "industry-leading management and consulting services." (See Exhibit C)

As noted above, Harris President Guy Erickson's columns in Harris Highlights, the company newsletter, never discussed the mission, values, or guidelines in an abstract theoretical way but always gave specific, concrete examples from company personnel and activities. (See Exhibit D). Harris's way of looking at core values and cultural implementation was to see the culture as having four levels: (1) the physical infrastructure (buildings, offices, computer equipment, transportation fleet, etc.), (2) organizational systems, policies, and procedures (compensation, communication, meeting, promotion, evaluation, etc.), (3) personnel (skills, experiences, abilities, character, etc.), and (4) informal culture (atmosphere, rituals, habits, styles, etc.). To fully implement its core values Harris had to examine continually whether and how each of its six core values was embedded and exhibited (or contradicted and undermined) at each of those four levels.

For the core value of "teamwork," for example, implementation means that the physical infrastructure doesn't reflect disrespect and low regard for any employee. Each employee is provided with what they need to do their job. In the organization and policy arena, respect means rewarding employees who show respect for others (and sanctioning or penalizing those who don't). The Employee Stock Ownership Plan and the one week per employee vacation home benefit were additional examples of policies that showed respect for all employees and all jobs in the company. On the personnel level of the culture, the core value of respect means hiring and promoting people who have respect for others as a character trait. And on the informal, ritual level of the culture, respect should always be shown to all. Respect for others should be celebrated. (See Exhibit E for a Harris Core Values and Culture rubric).

What was important about implementing and living by the mission, vision, and core values was also true of the ethical guidelines. Implementation meant applying and enforcing the standards, not just talking about them. "Complying with applicable law" meant knowing the relevant laws and regulations and acting accordingly. "Protecting life, health, and safety" meant avoiding danger and risk and actively pursuing and promoting health and safety. The ethical guidelines were established to guide company business practices, not just company thinking.

**Assessing Company Ethical Health**

For three years Harris & Associates pursued its program of ethics and values communication, training, and implementation. Consultant Gill, President Erickson, and HR Director Shockley met at least once every month or two through this time period to review progress and plan for the next steps. Every in-person and on-line ethics and values training session concluded with a request for suggestions on how to make things better the next time around. Minor suggestions for future scheduling modifications were the only responses other than affirmations of a good training experience and gratitude to the company president and other executives for giving their time and attention to the Harris Way.

It could not, however, be taken for granted that the company was fully successful in communicating and implementing its ethics and values. To do so, to assume that a lack of scandal or vocal protest would be a reliable measure of success could be a dangerous precursor to serious problems. Nothing should be assumed or taken for granted.

As Harris & Associates moved toward the end of its three-year program, how could they measure their effectiveness in order to strengthen their program for the coming years? How could a company measure its ethical health and the effectiveness of its training and implementation programs? Supervisors needed guidance on how to evaluate their direct reports. The Board of Directors needed guidance on how to evaluate the president's performance on ethics and values. How might employees evaluate the ethical health and performance of their managers and of the company as a whole? How could Harris evaluate the ethical health and performance of its business partners?

How did other companies like (or different from) Harris & Associates carry out ethics self-audits and assessments? What specifically did Harris want to learn about itself? How could it find out the answers to its questions? Were there "best practices" and creative ideas out in the academy or the marketplace on how to answer these questions? Harris & Associates looked over its nearly three year effort and couldn't help but feel very god about it. Anecdotal and informal feedback had been very positive. But now it was important to create an audit and assessment program that would reveal the deeper truth about the company's ethical health.

**Exhibit A: The Harris Way**

# The Harris Way Mission, Vision, Core Values, & Ethical Guidelines

**1 January 2006**

**Harris & Associates**

**www.harris-assoc.com**

**Tel: 925-827-4900**

**120 Mason Circle, Concord CA 94520-1214**



**Table of Contents**

## <u>Preface: Our Ethics</u>
**by Carl Harris**
**Founder & Chairman of the Board**

Our company ethics and values are very important to me, as I hope they are to you. Over the past 31 plus years I have witnessed the evolution of our ethics. Until now, we never had a document capturing what our ethics are. We relied on examples of individuals and word-of-mouth. This worked okay when we were a smaller company, but today, with many new employees joining each year, it is important to instill our ethics as quickly as possible. Our new Ethical Guidelines will help this process.

To me, the bottom rung on the ethics ladder is “what is legal.” We want to continue to move higher on the ethics scale by striving to do “what’s right.” Our ethics are lofty, something we always try to achieve. The best measure of our company is not how much money we make, but what we stand for. Good ethics also makes good business. We are in the business of serving our clients, staff, and communities for the long haul. Adhering to strong ethical principles will insure our company’s long term success.

I am very proud of our current ethical values and am proud of how we are perceived by our clients and peers. I definitely want this to continue as my legacy.

Please take time to read, understand, and embrace our Mission, Vision, and Core Values and Ethical Guidelines. This is a work in process, a living document, so your comments and suggestions are always welcome to help us make this document more meaningful and current through the coming years.

## <u>1. Ethics & Values Matter</u>

**by Guy Erickson**
**President, Harris & Associates**

Ethics and values *matter* deeply and profoundly at Harris & Associates. Our success as a company for more than thirty years is not just because of a favorable economy, smart people, and a lot of hard work. As Carl Harris and any other veteran of our company will tell you, our core values and high ethics are at the heart of all the success we have experienced.

A lot of companies have gotten into very serious trouble in recent years by ignoring or losing sight of their ethics and values. A great historic American accounting firm was destroyed, and disappeared almost overnight, when it forgot the values and ethics that made it great. It became terribly compromised by unethical dealings with other companies. It can happen in any industry, including our own. Thirty years of success are no guarantee of the future if we forget the values and ethics that got us here.

It’s not rocket science - just common sense.

- If we are unethical with our clients - we lose their trust, their respect, and their business.
- If we are unethical with our business partners - they will avoid working with us.
- If we are unethical with each other in the Harris “family” - we become dysfunctional.

But even this common sense business case for ethics and values doesn’t get to the true heart of the matter. For Harris, ethics and values are not just about preventing bad things from happening. Our ethics and values form our fundamental corporate “DNA” - they are the core characteristics of who we are, not just some rules about what *not* to do. Ethics is about achieving excellence and success, about taking pride not just in “what we do” but in “how we do the things we do.” If we are unethical with ourselves – we destroy a part of our being.

As our company grows toward five hundred employees . . . as we branch out throughout the Western United States . . . and as our founding generation of company leaders moves toward retirement . . . we have called upon everyone in our company to help identify our historic core - our central mission, vision, values, and ethical guidelines. Ethics and values are everybody's business at Harris. What you see in this document is the product of more than three hundred voices of Harris people.

Our calling as a company is to live out these values and ethics from day to day - to be familiar with our guidelines, apply them in our decision-making and actions, and pass them along to our colleagues and business partners. This is a living document that will be regularly reviewed, revised, and improved based on your input. Help us make it count in our business experience at Harris. Help us make it better.

## 2. Our Mission & Vision

The Harris Mission is a statement of our core purpose. It is a brief summary of why we exist. It is the unifying theme in all the projects we undertake. The mission is our "guiding star." It is our ultimate "boss." Every task and every project at Harris should contribute to this basic, core purpose.

**The Harris Mission**

***Helping clients, employees, and communities succeed through industry-leading management and consulting services.***

- **We serve our clients as their partner and advocate, bringing our expertise and dedication to their projects from start to successful finish.**
- **We provide our employees with opportunities for creativity, growth, and career success in a supportive, fun, and rewarding team environment.**
- **We protect and improve our community and environment through responsible stewardship of our shared resources.**

* * * * * *

The Harris Vision is a description of what we want to be---and will be---if we carry out our core mission successfully. This is how we see our company and our future. This is how we want to be seen by others.

**The Harris Vision**

***The excellence and integrity leader among management and consulting companies.***

**The Harris Vision is to be not the biggest but the best in our regions of operation. We want to continue to grow our company in a sustainable manner that does not compromise our core mission and values or the health of our company culture.**

- **We want to be the first choice of clients seeking management and consulting services, with a reputation for exceptional ethics, expertise, and client focus.**
- **We want to continue to attract and retain great people at Harris & Associates, drawn by our reputation for innovation, opportunity, and a fun and satisfying work environment.**
- **We want to be valued as model corporate citizens by all the communities in which we operate, with a reputation for generosity, responsiveness, and wise stewardship.**

## 3. Our Core Values

Our core values are the six essential characteristics we want to have embedded in every part of Harris & Associates. Our experience of more than three decades as a company has demonstrated that our excellence and success depend on these six key traits. Every project, every region, every policy, every decision, and every employee is expected to be guided by these values while working at Harris.

### Harris Values

In carrying out our mission and pursuing our vision, we are shaped and guided by six core values:

**Integrity: "doing the right thing"**

**We are about honesty, fairness, and responsibility, about consistently living out our values and principles with uncompromising integrity and ethics.**

**Quality: "doing things right"**

**We have a passion for excellence and high standards, for industry-leading innovation, expertise, and effective performance.**

**Reliability: "you can count on us"**

**We do what we say---and we stand behind what we do---with accountability, responsiveness, and follow-through, from project start to project finish.**

**Respect: "everyone is important"**

**We value and respect every member of our team---whatever their role---and each of our clients, business partners, and communities.**

**Teamwork: "working better together"**

**We team with each other and our clients to meet challenges and then share the success. It's about collaboration, approachability, good listening, and sharing ideas.**

**Fun: "more than just a job"**

**We enjoy our work and our fellow workers, experiencing personal freedom, creativity, and growth in a "family" atmosphere of mutual support and celebration.**

## 4. Our Ethical Guidelines

### 4.1 Introduction

Our mission and vision describe *where* we are going as a company. Our core values describe *who* we are, the kind of organization we are building. Our ethical guidelines describe "*how* we do the things we do." Every Harris employee is expected to be familiar with these guidelines and comply with their provisions. Ethics at Harris is everybody's business. It is the responsibility of every employee to carry out their own work in an ethical manner, to report any questions or possible violations, and to suggest ways of improving this code and, more generally, the ethical health of our company.

### 4.2 General Principles and Guidelines

In addition to the more specific ethical guidelines which follow below (section 4.3) the following twelve general principles guide ethics at Harris, in all of our relations with clients, business partners, fellow employees, or anyone else. These guidelines supplement the policies and procedures outlined in the Harris Personnel Policies Manual.

- **Never knowingly do harm.**
  - *Follow this basic, historic, first rule of professional ethics at all times.*

- **Comply with applicable laws and regulations.**
  - *Observe the legal ground rules of our society and marketplace (e.g., concerning copyright, building codes, environmental impact, taxes, etc.) at all times.*
  - *Never compromise or violate a law even if a client or business partner asks for it and says they will take responsibility for it.*

- **Comply with relevant codes of professional ethics.**
  - *Observe the standard ethical guidelines espoused by professionals working in our vocational and business areas (e.g., the American Society of Civil Engineers, the Construction Management Association of America).*

- **Treat others as we would want to be treated, with honesty, fairness, dignity, and respect.**
  - *Use the classic "Golden Rule" as one helpful guide in figuring out the right thing to do.*
  - *If in any doubt, ask some colleagues how they would want to be treated in a given situation.*

- **Protect life, health, and safety.**
  - *Rectify or report immediately any unsafe or threatening situations.*
  - *Accept responsibility for any unsafe conditions we may have caused or contributed to and take corrective action.*
  - *Pursue the highest standards in safety, whether on Harris property, in transit, or at a project site,*
  - *Never compromise safety at any stage from project design, to execution, to final inspection.*

- **Fulfill commitments, contracts, agreements, and promises.**
  - *Follow through completely and reliably on agreements made with clients, business partners, and fellow employees.*
  - *Make any changes in such commitments only by mutual agreement and in a transparent, above-board, manner.*

- **Maintain fairness in business and financial matters.**
  - *Avoid both the appearance and the reality of any kind of financial or business impropriety.*
  - *Deliver the full value service that has been purchased from Harris.*
  - *Compensate employees, sub-consultants, and business partners fairly for services rendered.*
  - *Ensure that invoicing and billing practices are accurate and fully justified, whether dealing with clients, business partners, or personal expense reimbursements.*
  - *Avoid real or potential conflicts of interest that could arise from giving or receiving gifts, dealing with relatives or close friends, or from any other source.*
  - *Avoid improper tampering with the employees, operations, inside information, or intellectual property of other companies.*

- **Never compromise on truthfulness and accuracy.**
  - *Maintain clarity, consistency, and accuracy in all communications with clients, contractors, business partners, employees, governmental agencies, and the public.*
  - *Never submit deceptive, incomplete, or inaccurate proposals, financial reports, or inspections.*
  - *Do not over-promise on schedules, project outcomes, or personnel; disclose any contingencies and concerns.*
  - *Correct mistakes, misstatements, and misleading communications immediately.*

- **Respect privacy and protect confidential and proprietary information.**

- *Protect the privacy of individuals and their records, whether Harris employees or not.*
- *Protect the confidentiality of the proprietary information, business plans, and communications of Harris and its clients and business partners.*
- *Do not accept or misappropriate any confidential information or proprietary data from a competitor company;  respect always the rights of the rightful owners of information.*

- **Maintain respectful and professional relationships.**
  - *Communicate (voice, written, e-mail, or otherwise) in a respectful and professional manner to fellow workers, clients, partners, contractors, competitors, and all others.*
  - *Maintain a professional and inoffensive personal appearance and work environment*
  - *Avoid behavior or communication that could come across as disrespect, harassment, or a lack of courtesy or professionalism.*

- **Be open to criticism, admit mistakes, take responsibility, and take corrective action.**
  - *Take the initiative to improve your own performance.*
  - *Do not hide from criticism, evade responsibility, or try to pass the buck.*

- **Address questions, criticisms, and admonitions directly and privately with the persons involved.**
  - *Take the initiative to address issues with others as soon as possible.*
  - *Do not go behind people's backs with complaints.*
  - *Do not risk humiliating people in front of others.*

### 4.3 Specific Guidelines

#### 4.3.1 Clients

- **Developing Business**
  - *Market our services and develop our business by telling the truth, the facts about Harris experience, expertise, and client service.*
  - *Build positive relationships with potential clients and demonstrate our collaborative style and orientation.*
  - *Never engage in, or respond to, manipulative, unprofessional, or unethical business development tactics.*

- **Working With Clients**
  - *Provide loyal and competent representation of the client at all times during the contract.*
  - *Inform clients fully and clearly about the risks, options, and possible ramifications of choices; provide fair and objective advice to enable sound client decisions.*
  - *Protect the client's budget and best interests.*

#### 4.3.2 Contractors and Business Partners

- **Choosing Business Partners**
  - *Choose business partners based on their qualifications and availability, and on client needs.*
  - *Maintain openness, transparency, and objectivity in determining business partnerships.*

- **Working with Contractors and Business Partners**
  - *Partner with contractors to deliver excellent results to clients.*
  - *Maintain open, honest, and adequate communications with contractors and other business partners.*
  - *Encourage and facilitate open communication among clients, contractors, business partners, and managers with full disclosure of relevant developments, challenges, problems, and opportunities.*
  - *Provide competent information and advice to clients on contractor issues and concerns.*

- *Never agree to any work that is substandard, out of compliance with codes and regulations, or cuts corners to save money or time.*
- *Ensure that inspections are carried out in an objective, competent, transparent manner.*

**4.3.3 Employees**

- **Employee Recruiting & Hiring**
  - *Recruit employees by honestly and effectively communicating the facts, opportunities, and benefits of employment at Harris.*
  - *Seek a workforce characterized by a rich diversity in terms of age, experience, gender, ethnicity, and cultural background.*
  - *Seek prospective employees whose values and purposes are in alignment with the mission, vision, and core values of Harris.*
  - *Refer interested individuals to the Harris web site and to our Human Resources department. Do not engage in "raiding" of employees of other firms.*

- **Working for Harris**
  - *Treat all fellow employees with integrity, dignity, respect, and care, valuing everyone's role on the Harris team.*
  - *Carry out individual assignments with competence, diligence, and pride.*
  - *Build teamwork and healthy, open, honest communication.*
  - *Contribute to the fun and family atmosphere at Harris but do not violate basic norms of professional behavior.*
  - *Use company equipment, resources, and assets appropriately and responsibly.*
  - *Refrain from behavior away from work which could create a conflict of interest, tarnish the reputation of the company, or affect your ability to carry out your job at Harris.*

**5. What to do if you have an ethics question---or need to report a possible violation**

**Step #1: Reflection: *Is your concern important enough to take any action?***
If you become aware of a possible ethics issue in our company (or on the part of a client or business partner we are working with), here are five test questions to help you determine if you should take action. If the answer is "Yes" to one or more of these five test questions, you should take action and make an inquiry or report. *It may not turn out to be a serious problem*---but it is important to take action to find out.

1. **Is it illegal?**
   *Any time you see something that might be breaking a legal or regulatory standard, report it.*

2. **Does it violate our company values and ethical guidelines?**
   *Any time something may be in contradiction to one of our core values or in violation of one of our ethical guidelines (or of a relevant professional ethical guideline, e.g., the code for civil engineers), report it.*

3. **Does it violate the Golden Rule or your internal sense of right and wrong?**
   *If you wouldn't want it done to you, we probably shouldn't do it to others. If it really bothers your personal conscience and values, it probably would bother others. Report it.*

4. **Would we be doing this if it was the lead story in the news?**
   *Individuals and companies doing wrong things usually try to hide what they are doing. If you wouldn't feel good about having the public know and see what we are doing, report it.*

5. **Could someone be seriously and irresponsibly harmed?**
   *This is a bottom line question in ethics. If anyone could be seriously and irresponsibly harmed (physically, financially, reputationally, etc.), report it.*

**<u>Step #2: Action:</u>** ***<u>How should I report a question or possible violation?</u>***
If possible, start with the first three steps (below) to report and resolve ethical questions and challenges. If these steps seem dangerous, unwise, or unproductive, or you are not satisfied after pursuing them, move to any of the final three steps:

1. **Speak to the offender(s).**
   *It is not always possible to take your concerns to the (apparent) offender doing an unethical act. When possible, however, this is the place to begin.*

2. **Ask a trusted colleague for advice or help.**
   *Sometimes ethical questions can be answered and problems resolved by simply discussing the matter with a colleague or two.*

3. **Report it to your supervisor.**
   *Your supervisor is responsible for ethical as well as business matters. Unless the ethics question concerns your supervisor personally, or you remain unsatisfied by your supervisor's response, you should take the matter to him or her.*

4. **Report it to any supervisor or manager with whom you feel comfortable.**
   *All managers and supervisors at Harris are available to all employees for ethics matters.*

5. **Report it to the Human Resources Manager.**
   *The Human Resources Manager will always be available to provide help with your ethics questions and reports.*

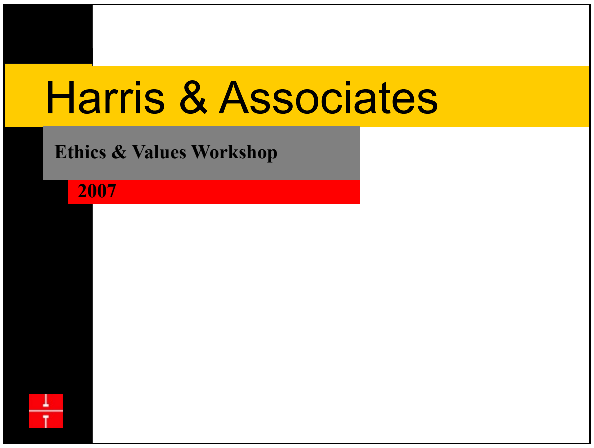
6. **Report it to the President.**
   *The President of Harris & Associates always has an open door for anyone who wishes to raise a question or make a report on any ethical matter.*

   *<u>You may submit your question or report anonymously by letter if you feel it necessary.</u>*

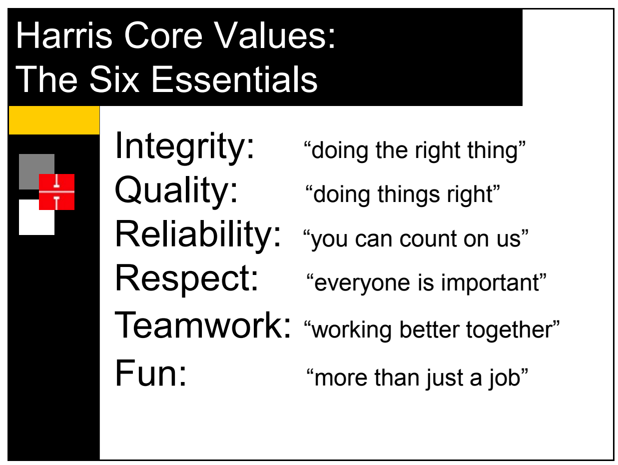
## <u>6. What happens to your ethics questions and reports?</u>

- All ethics questions and reports of possible violations are taken very seriously by the company.
- There will be no retaliation for raising ethical questions or reporting possible violations; it is the obligation of every employee to report any violations and to protect the ethical health of the company
- If your question or report is not anonymous and is submitted to a supervisor or manager (including the HR Manager and President), it will be acknowledged in an appropriate and timely manner.
- If the issue can be resolved by the supervisor receiving the question or report, it will be addressed and resolved as quickly as possible and you will be informed of the decision and action.
- If the issue cannot be resolved quickly, easily, or satisfactorily by that supervisor, you may be contacted for further discussion of the specific issue; the supervisor will consult with others on the management team, taking it as far as the President and Board of Directors, if necessary, until a satisfactory resolution can be found.
- A decision will be made by management, subject always to the approval of the Board, and corrective action will be taken to address the specific situation and those involved in it---and to reinforce or improve the policies, standards, and procedures of the company so as to minimize the possibility of such problems recurring.
- Unless the report was submitted anonymously, the reporting individual will receive a report on the company's resolution of the issue.

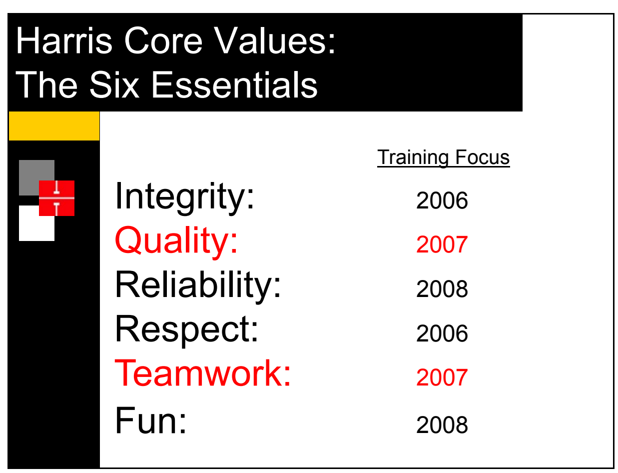
**Exhibit B: 2007 Ethics & Values Workshop slides and cases**









## Discussion: *Walking Our Values Talk*

**Quality: "doing things right"**

*We have a passion for excellence and high standards, for industry-leading innovation, expertise, and effective performance.*

**Teamwork: "working better together"**

*We team with each other and our clients to meet challenges and then share the success. It's about collaboration, approachability, good listening, and sharing ideas.*

## Discussion: *Walking Our Values Talk*

1. Give an example of how someone at Harris lived out one of the values below.

**Quality: "doing things right"**

**Teamwork: "working better together"**

## Discussion: *Walking Our Values Talk*

2. Give an example of a business situation at Harris that might challenge our commitment to these values.

**Quality: "doing things right"**

**Teamwork: "working better together"**

## The Harris Code of Ethics: *Why do we need it?*

Ethical guidelines serve several purposes:

1. Protect people from getting harmed.
2. Help our newer employees get clearly oriented to the Harris way of doing business.
3. Protect our company's reputation.
4. Make sure our core values get lived out
   -observe boundaries: avoid the negative
   +pursue mandates: do the positive
5. Help us make good, wise decisions in difficult circumstances.

## The Harris Code of Ethics: *The Twelve Basic Principles*

1. Never knowingly do harm.
2. Comply with applicable laws and regulations.
3. Comply with relevant codes of professional ethics.
4. Treat others as we would want to be treated, with honesty, fairness, dignity, and respect.
5. Protect life, health, and safety.
6. Fulfill commitments, contracts, agreements, and promises.

## The Harris Code of Ethics: *The Twelve Basic Principles*

7. Maintain fairness in business and financial matters.
8. Never compromise on truthfulness & accuracy.
9. Respect privacy and protect confidential and proprietary information.
10. Maintain respectful and professional relationships.
11. Be open to criticism, admit mistakes, take responsibility, and take corrective action.
12. Address questions, criticisms, and admonitions directly and privately with the persons involved.

## The Three Specific Areas
*with more detailed guidelines*

**1. Clients**
Developing business
Working with clients

**2. Contractors & Business Partners**
Choosing business partners
Working with contractors & business partners

**3. Employees**
Employee recruiting and hiring
Working for Harris

## Ethics Case Trouble-shooting:
***Doing the Right Thing When It's Tough***

*Use the five test questions of ethics.*

1. Reflect/Recognize - *serious ethics problems*
*Get to know the Harris Guidelines & the law!*

2. Action/Strategize - *what to do with this problem?*
*Get to know the Harris strategy.*

3. Analyze - *if it's up to you to figure it out the facts, the values, the options.*

4. Resolve - *what is your best recommendation?*

5. Reform - *keeping it from happening again.*

## Case Analyses:
## Small group/large group

- Form breakout discussion groups.
- Use the Harris Ethics Case Analysis form to help guide your analysis (but don't get stuck or be a slave to it)
- Keep in mind the 12 principles of the Harris Code---and any other helpful guidelines you know.
- Share your group's "takeaway insights" on this case with whole workshop group.

## Case #1 –
## *(Quality Case)*

- You started your own highway construction firm after 10 years with a company whose business practices were dishonest and unethical with a focus only on profits.
- Your firm emphasizes quality and environmentally correct practices, but you are struggling to be profitable. Contracts are being awarded to lower bidders even though their work is substandard.
- A legal provision to make firms guarantee their work has been defeated.
- Colleagues are advising you to go with the flow and lower your standards even though you know that higher quality is more cost effective for the public long-term.
- Quality is a core value of your new company but you are wondering if you will be able to stay in business long enough to become profitable.

## Case #2 -
## *(Quality Case)*

- You work for a public works company with a good reputation for delivering quality work at fair prices on deadline utilizing keen business/client awareness and specifically targeted proposals.
- Three lucrative proposals, generated by an employee known for his high energy, ability to drive the research to a quick conclusion and fast turn around on paperwork, have been accepted.
- A supervisor, trusting this employee's three-year track record, approved submission of the proposals with only a cursory review.
- Later, upon taking a closer look, the supervisor is horrified by obvious cut and paste aspects in all three proposals with generic rather than tailored recommendations, single sources and the embarrassing recurrence of client #1's name in client #2 and #3's proposals.
- When questioned, the employee states that the proposals were accepted so why quibble?

## Case #3 –
## *(Quality Case)*

- One of the biggest contracts in company history has just been won.
- The company put together a strong, primarily younger team lead by a well-liked older man with many years of service and experience. This project has the added attraction of being a stadium at his alma mater; a final flourish for his career before retiring.
- Some of the company's "young lions" begin grumbling that seniority and nostalgia should not trump expertise on the critical project and want another engineer to lead it; a younger man with less work experience but unquestionable expertise and credentials.
- The senior person was a key member of the team that won the project and is about to retire; the rising star is currently working on another project.

## Case #4:
## *(Teamwork Case)*

- Everything seemed to be in order; inspection and approval of the project should have been relatively uneventful.
- The inspector was overzealous and obviously under pressure to prove himself – not one who just "rubber-stamps" approval.
- During review of the issues the project CM became defensive and aggressive and argued heatedly with the inspector. The inspector, in turn, became belligerent and tough.
- The CM's teammates urged backing off to no avail.
- The upshot was that the company had to address a long list of citations; many added after the CM's confrontation. The client was furious with the delays and added expense.
- The teammates were generally supportive of the CM but frustrated by the approach taken.
- CM insists truth and justice were at stake – would do it again.

## Case #5:
## *(Teamwork Case)*

- Harry & Sherry are veteran PM's with long track records of solid service, both just past 60 years old, and nice as they come.
- Over the past year many in the regional office, including the regional manager, have observed a lessening in productivity in both people, thereby increasing their respective workloads.
- Clients love Harry & Sherry. They are requested more than any other staff member. No complaints from clients.
- The Regional Manager finally speaks with Harry about the declining performances and Harry shares that, after seeing each other through serious family issues in both their lives over the past two years, he and Sherry have fallen in love.
- Harry asks the Regional Manager to keep the relationship confidential and allow an extended grace period until he and Sherry resolve their personal issues.

## Case #6:
## *(Teamwork Case)*

- He began his career as a sharp, likable young engineer, receiving excellent performance ratings for 18 years.
- He was promoted to team leader, head of a departmental team of engineers who barely tolerate his leadership style, grumbling constantly, doing the minimum before escaping at the end of the day.
- He had a great technical-engineering education, but has not studied management of people and tasks. Thinking out loud with other people is not his style.
- He projects his own thinking and feeling on to others and isn't sensitive to or appreciative of other personalities. He pushes his own opinion and doesn't respect the expertise of team members.
- A high-performing engineer has been promoted to a toxic team leader; adjusted to the higher salary; and could feel disrespected and/or discriminated against if situation is not addressed properly.

## Evaluation

**Please give us your ideas on how to do it all better.**

**Thank you for participating in this 2007 Harris Ethics & Values Workshop!**

**<u>Exhibit C:  Harris Mission Implementation Review</u>**

<u>The Harris Mission</u>

***Helping clients, employees, and communities succeed through industry-leading management and consulting services.***

- **We serve our clients as their partner and advocate, bringing our expertise and dedication to their projects from start to successful finish.**

- **We provide our employees with opportunities for creativity, growth, and career success in a supportive, fun, and rewarding team environment.**

- **We protect and improve our community and environment through responsible stewardship of our shared resources.**

**Self-assessment:**

1. **Have we declined any job or business opportunities because (even though the may have been attractive financial prospects) they would not clearly have helped clients, employees, or communities succeed . . . or they didn't call for industry-leading management and consulting services?**

2. **What bold new initiatives are we imagining, strategizing, and executing to**

   **(a) help new or old <u>clients</u> succeed?**

   **(b) help our new or veteran <u>employees</u> succeed?**

   **(c) help our current or new <u>communities</u> succeed**

3. **What concrete steps are we taking to set the <u>standard</u> for management and consulting services in our industry?**

**Exhibit D: Sample Harris Highlights Column on "Respect" (October 2006)**

# Harris Core Values #4: Respect

## *"Everyone is important"*

***We value and respect every member of our team – whatever their role – and each of our clients, business partners, and communities.***

**Respect can mean many different things to many people. Webster says "to feel or show honor for," "to show consideration for," "courteous regard." As we give thought to what respect means to each of us, it is one of the foundations of our company philosophy here at Harris.**

Most of us start our day surrounded by a mass of humanity on the freeways as we migrate towards our workplace. We have all witnessed the lack of respect of the drivers that cut you off, don't let you merge, or in some cases resort to giving other indications of total disrespect. Respect is about letting that person merge into your lane ahead of you even if it puts you behind another car length and may result in being 30 seconds later to work. Respect is not following so close that stopping in an emergency is all but impossible.

In the workplace, respect is all about being considerate of others, not letting your bad day ruin everyone else's day. In our daily work we all experience numerous phone messages and e-mails that seem to stack up like cordwood. Being responsive to those e-mails and calls demonstrates respect towards our co-workers. We are all busy but that short message that says you have received their request and will get back to them soon, goes a long ways in demonstrating respect to others.

Respect becomes a habit when we practice it on a daily basis and is a good habit we all want to cultivate. It is a habit that can rub off on others as we lead by example. We all feel better when we show and receive respect.

Respect means noticing the support that someone gave you on a project . . . and thanking them for it. Respect means listening to others and caring about their opinions, not just imparting our ideas and opinions to them. The team that carried out the project to identify our company values and ethics showed this kind of respect when they aggressively sought everyone's input on the formation of our code of ethics. They respected everyone's opinion and advice on this.

Respect is not a selective trait. When we truly respect others we show it all the time. An example of someone I have seen over the last year who shows respect is exemplified in the actions of Adrian Sanders, our receptionist in Concord. Adrian demonstrates this quality by treating everyone she encounters with respect – including the Fed Ex driver, our clients, and her co-workers, and she does it every day! Adrian is truly the voice of Harris here in Concord and one that upholds the spirit of "The Harris Way."

**-Guy Erickson, President**

**Exhibit E: Harris Core Values Implementation Review**

## Implementing Harris Core Values in Harris Culture: Is each core value exhibited at each level? DWG July 2009

| **Culture (4 levels):** ➔<br><br>**Core Values** 🡇 | **Physical**<br>*Buildings, office layout, computer and office equipment, software, transportation fleet, etc.* | **Organizational**<br>*Systems, policies, procedures (compensation, promotion, communication, meeting, etc.)* | **Personnel**<br>*Skills, abilities, experience, character, etc.* | **Informal**<br>*Ritual, celebration, folklore, style, atmosphere* |
|---|---|---|---|---|
| **Integrity:**<br>*Doing the right thing*<br>We are about honesty, fairness, and responsibility, about consistently living out our values and principles with uncompromising integrity and ethics. | Purchased/licensed fairly, honestly; good environmental, social impacts | Systems, policies are fair, transparent ; reward honesty and integrity; hiring, promotion, compensation, & evaluation fair; Guidelines for relations with clients as well as internally | Hire for character & integrity; promote/reward people with integrity; sanction/discipline misconduct; leaders demonstrate; tone at top | Celebrate, tell stories of high integrity; act with integrity during social events, retreats |
| **Quality:**<br>*Doing things right*<br>We have a passion for excellence and high standards, for industry-leading innovation, expertise, and effective performance. | Within responsible fiscal constraints ensure quality physical infrastructure in all aspects of Harris --- and in project sites we manage | No sloppy processes or record keeping, disorganized, time wasting; operate professionally; set high standards; continuing education & training programs | Hire, promote, reward people obsessed with excellence and quality; don't tolerate mediocrity | Celebrate quality achievements; ensure that celebrations and rituals themselves demonstrate quality |
| **Reliability:**<br>*You can count on us*<br>We do what we say---and we stand behind what we do---with accountability, responsiveness, and follow-through, from project start to project finish. | Exemplary maintenance of Harris plant and equipment ; care for Harris property | Contracts and agreements are fulfilled; policies applied even-handedly and predictably; promises are kept | Hire on evidence of reliability; reward and praise reliability | Celebrate reliability; keep celebrations, rituals, and atmosphere safe and reliable. |
| **Respect:**<br>*Everyone is important*<br>We value and respect every member of our team---whatever their role---and each of our clients, business partners, and communities. | Office layout, décor, equipment should follow and be contingent on function, need, qualification; each person gets physical infrastructure needed. | Systems and policies should be fair; shared suffering and shared success even if proportional | Hire for respectful character and habits; zero toleration for harassment, disrespect. | Greet one another by name with respect; listen to / care for all colleagues in all positions; celebrate all jobs well done |
| **Teamwork:**<br>*Working better together*<br>We team with each other and our clients to meet challenges and then share the success. It's about collaboration, approachability, good listening, and sharing ideas. | Office set up, communication equipment and software designed to facilitate teamwork and collaboration | Reward team accomplishments, not just individual stars; | Hire and reward team players, not just hard care individualists | Schedule team-building events, rituals, celebrations |
| **Fun:**<br>*More than just a job*<br>We enjoy our work and our fellow workers, experiencing personal freedom, creativity, and growth in a "family" atmosphere of mutual support and celebration. | Create warm, positive work environment congenial to good relationships | Do not kill off spontaneity, fun, and joy with bureaucracy, grim policies and systems | Hire positive, warm, collegial people; avoid killjoys and recluses; avoid irresponsible party animals | Schedule and budget for fun events, create family; draw in significant others as appropriate; |

# Instructor's Manual
# for
# ORGANIZATIONAL ETHICS AT HARRIS & ASSOCIATES: DEFINING & PRESERVING A HERITAGE
**by**

David W. Gill
St. Mary's College, Moraga CA

**Case Summary**

During a five-month period from August to December 2005, construction and project management firm Harris & Associates (www.harris-assoc.com) based in Concord, California, carried out a project to define and articulate its company ethics and values. Harris & Associates was founded by engineer Carl Harris and two associates in 1974. Over the next thirty years the company established a reputation for high quality work with high integrity. The company delivered project and construction management services, specializing in public works projects such as water and wastewater treatment plants, hospitals, schools, roads and highways. By 2004 the company had grown from its original three employees to a workforce of some 400, and from one main office to include nine branch offices around the western United States.
With the growth and dispersion of the company, and the beginnings of a leadership transition from Carl Harris and other long time veterans to a new generation of executives, the challenge was to take steps to define and preserve the ethics and values that had been an integral part of Harris & Associates' success. In the fall of 2005 the company designed and executed a careful process to define and articulate its mission, vision, core values, and ethical guidelines. At various points in the process everyone in the company was asked to contribute their insight, ideas, and advice. By the first of January 2006, the "Harris Way" was rolled out to the company and the public.

What followed was a three-year program (2006–2008) to communicate and implement the Harris Way. Every person in the company had to be educated and trained on all aspects of the Harris Way. Every aspect of that Harris Way --- the mission, vision, values, and ethics --- had to be implemented. Talk was important but only if the company also "walked the talk." This case describes what Harris & Associates did to communicate and implement its ethics and values over that three-year period. The case culminates in the questions: How can a company measure its effectiveness in communicating and implementing an ethics and values program? How successful was Harris & Associates in these tasks? How could they do it all better?

**Teaching Objectives, Target Audience, & Teaching Strategy**

This case is appropriate for advanced undergraduate or graduate courses in business ethics and organizational development. By working through this case, students will wrestle with the options and choices necessarily made in the course of developing an effective ethics and values communication, training, and implementation program for an organization. While closely following the narrative of what Harris & Associates did, and hearing the reasoning behind Harris's choices, students will research what other companies have chosen to do in similar circumstances and thus be exposed not just to an abstract theory but to practical, managerial decisions. What are the various options? What communication means and channels should be used? Who should be responsible? What role does senior management play? What is the role of technologies such as online training programs? Is there a role for outside consultants or vendors? And in the end, how does a company know if its efforts have been effective? How can a company ethics program be audited, assessed or measured?

## Case Analysis, Questions, & Answers

### Introduction

The Introduction describes the factors that caused the leaders of Harris & Associates to take a serious look at their company ethics and values.

**Discussion Questions *(& Answers):***

1. **What were the reasons Carl Harris and his leadership team became so interested in taking a look at their company's ethics and values in 2004?**
   - *too many employees to continue relying on personal relationships and mentoring alone;*
   - *too much geographical dispersion to maintain close, ongoing, mentoring relationships;*
   - *upcoming major leadership transitions at top of company;*
   - *how to maintain company ethics and values in a time of great change?*
2. **What might be some other good reasons for organizations to review and strengthen their ethics programs?**
   - *competitive pressures to cut corners; increased risk and temptation in industry;*
   - *possible decline of honesty, ethics, and character in today's culture;*
   - *bad ethics can lead to damaged reputation, legal troubles, employee problems, etc.*
3. **Are there any good arguments *against* investing company time and resources in pursuit of good ethics --- or social/environmental responsibility?**
   - *can ethics programs change peoples' character? – just hire carefully, fire the bad apples?*
   - *is ethics just a distracting luxury? comply with laws but stay focused on financial bottom line?*

**Learning Activities:**

(A) Ask each student to find and briefly interview a veteran business manager on the topic "As a manager, do you believe a strong ethics program and emphasis is important? Why or why not?" Ask them to take a few basic notes and report in class on what they heard.
(B) Ask students to review the business news from the past week and bring in an example of good ethics helping --- or bad ethics hurting --- a company or business leader.
(C) Ask each student to write a brief "Memo to the CEO (or Chair of Board)" on "Why Our Company Should Pursue Sound Ethics and Values."
(D) In teams, or as a whole group, build a collaborative, consensus list of arguments on "why ethics is important in organizations today." Think of it as a collaborative "Wikipedia" entry.

### Company Background

This section describes the history, basic business, growth, and leadership of Harris & Associates.

**Discussion Questions *(& Answers):***

1. **What kind of business (service delivered, client base, etc.) was Harris & Associates in?**
   - *public works projects serving cities, counties, public agencies;*
   - *engineering consulting, construction and project management*
2. **Harris & Associates was one generation old. Should a much younger --- or much older --- organization approach ethics differently? How and why?**
   - *don't needlessly bury small, young organizations in rules—but provide adequate guidance;*
   - *need to revise, improve, keep existing ethics statements fresh and current; never too late?*
3. **Harris & Associates was a privately-held corporation. Would their ethics challenges and opportunities have been any different if they were publically-traded?**

- *does being privately-held held put less pressure on shareholder demand for an ROI focus?*

**Learning Activities:**

(A) Visit the web to take a look at what kind of ethics and values young (less than 10 years) --- and old (more than 40 years) companies post at their web sites.

## Ethics Communication, Training, & Implementation Project Leadership

This section poses questions of how exactly to proceed on the ethics and values project: outsource to a big vendor, try to do it in-house, or something else?

**Discussion Questions *(& Answers):***

1. **What are possible advantages and disadvantages of creating company ethics and values (a) entirely in-house, using existing staff, relying on published guidebooks,**

   **(b) outsourcing to a major consulting form, or**

   **(c) utilizing a smaller, local consulting resource?**

   - *(a) (+) financial savings in short-term at least; customization; strong ownership;(-) limited expertise, possible lack of project focus as other responsibilities compete*
   - *(b) (+) experience and reputation; (-) lack of ownership; high cost; one-size-fits-all?;*
   - *(c) (+) customization; local follow-through; cost savings? (-) adequacy of resources and experience?*
2. **What are the possible advantages and disadvantages of (a) limiting the project to a basic code of ethics or**

   **(b) creating the code of ethics within the broader texture of mission, vision, and the core values of the company culture?**

   - *(a) (+) cheaper, faster, more direct;(-) code lacks cultural muscle and integration into firm;*
   - *(b) (+) intends to build a strong mission and culture behind code; longer term prospects of increased success; (-) requires more time, bigger commitment initially and long-term*

**Learning Activities:**

(A) Ask half of the students to contact ethics and values consulting firms (visit web sites, follow up phone calls, interviews, or e-mails) to inquire about estimated costs, timeframes, and processes for assisting a 30-year old firm of 400 employees in creating its first ethics and values statement. Share findings in class.
(B) Ask half of the students to contact companies approximately 30 years old with 400 or so employees to inquire how they created their company ethics and values statements and ask for their advice and counsel on such a project. Share findings in class.

## Initial Roll-Out of the Harris Way

This section describes how Harris & Associates opted to take a holistic organizational approach to ethics and values and began by clarifying the corporate mission and vision.

**Discussion Questions *(& Answers):***

1. **What did Harris & Associates figure out as its company mission?**
   - *helping clients, employees, and communities succeed through industry-leading management and consulting services*
2. **How are "mission" and "vision" defined and differentiated?**
   - *mission: a brief summary of the service or product we deliver, the change we make in our customers' worlds, in light of which they pay us;*
   - *vision: how we would like our company to be seen as we fulfill our mission and become the company we dream of*
3. **Who are the best creators, champions, and guardians of a company mission and vision? Why?**
   - *those who have a viewpoint taking in the whole company and who have responsibility and authority over the company as a whole, i.e., top executives and directors;*
   - *the mission and vision describe the unifying purpose to be shared by everyone in the company*
4. **What is the relationship between a company's mission and vision --- and its ethics and values?**
   - *mission and vision motivate ethics in that they are the goal and reward for which the company strives and for the sake of which we discipline our behavior;*
   - *mission and vision also specify or imply the actual content of the ethical values and standards; ethics can be thought of as an account of how we need to treat each other and our stakeholders in order to achieve a particular mission*

**Learning Activities:**

(A) Ask each student to visit the web site of a company to see if its ethics and values statement is or appears to be related in any conscious way to the company mission and vision. Share findings in class.

(B) Ask students to find examples in history or literature of individuals or groups whose behavior changed radically as a result of a change in mission, vision, purpose, or life goals. Share and discuss findings in class.

(C) Ask students to write down either
(i) a personal career mission and vision followed by a description of behavior required to succeed or excel in achieving those goals or

(ii) a proposed company mission or vision followed by a description of behavior required to succeed or excel in achieving those goals

## <u>Basic Materials and Resources</u>

This section describes the process by which Harris & Associates drew upon the insight and experience of its top seventy or so managers to get clear on the core values that had been, and needed to be, embedded in all levels of the company culture to enable achievement of the mission and vision with sound ethics.

**Discussion Questions *(& Answers):***

1. **What is "corporate culture" and how does it relate to mission and vision, and to ethics and values?**

- *culture is the overall corporate "character" of an organization --- its infrastructure, systems, policies, personnel, traditions, and atmosphere, its habits, capabilities, and inclinations;*
- *culture either enables and rewards --- or it impedes --- achievement of the mission and vision and fulfillment of company ethical standards*

2. **Who are the creators, guardians, and tenders of a company's culture?**
    - *all managers with responsibilities for teams, departments, or branch offices are the de facto culture creators and tenders and therefore must play central roles in articulating and embedding the company's core values in their micro-cultures*
3. **How did Harris & Associates go about determining the core values of their culture?**
    - *a management retreat utilized a one-page core values worksheet for individuals, with small and large group discussion, followed by back-and-forth iteration of the core values summary until all managers were satisfied that it was authentic and representative of the company culture and clearly, logically aligned with the mission and vision of the company*

**Learning Activities:**

(A) Ask students to search the web for definitions of "corporate culture" and "core values" and bring their findings to class for discussion.
(B) Ask each student to visit a company web site to see if the company's core values appear to be related in any conscious way to either its mission and vision or its code of ethics or conduct. Share findings in class.
(C) Ask each student to interview a veteran manager on the questions: "How would you define corporate culture?" and "Can you comment on how culture relates (or not) to ethical compliance and performance?" Share findings in class.

## Visual Working Environment Messages

This section describes how Harris & Associates mobilized its entire workforce to write its code of ethics.

**Discussion Questions *(& Answers):***

1. **What is the purpose of a company code of ethics (or conduct)? What factors might make a code strong or weak?**
    - *a code of ethics (or "standards of business conduct") proves guidelines for business and workplace decisions and actions; ethics codes go beyond the minimum requirements of laws and regulations to set standards for how the company carries out its business practices*
    - *strong, helpful codes of ethics are comprehensive enough to guide all significant areas of business practice and all known significant ethical challenges that might arise in that business; they are simple and articulate enough to be practical and useful; they are positive in tone, not just a list of negative boundaries and prohibitions; they are kept current and up-to-date with periodic revisions; they are "owned" by the people governed by them.*
    - *weak codes are haphazard and incomplete, often limited only to areas where potential or actual legal troubles occur; they are created and imposed from outside the practitioners who will be governed by them; they are dry and boring; they are disconnected from the company mission, vision, and core values.*
2. **What are the arguments for and against having employees write the code of ethics for their area of business practice? How else could a company ethics code be written --- and what would be the advantages and disadvantages?**

- *For: employees bring expertise (no one knows the work specialty, its opportunities and challenges, better than the practitioner) and then have ownership and "buy-in" when they write it --- two great advantages over any externally generated code of ethics imposed on the employees;  wiki platforms (e.g., Wikipedia) show the power and potential of mass collaborative projects like this;*
- *Against: employees could sabotage such a project or resist writing guidelines for company leaders to enforce on them; could take more time and money to involve the workforce.*
- *Alternatives: hire an outside consultant or assign an inside company manager (attorney, HR director, et al) to write a code;  could be fast, efficient, inexpensive --- but could be dull and generic, legalistic, miss the practicality and expertise of the practitioners, and be disrespected and disregarded by workforce who see it as a management imposition and lack of trust.*

3. **How was the content of the Harris & Associates Code of Ethics organized?    What are the possibly risks and rewards in their "Harris Way" approach?**
   - *the code is located in the context of the larger "Harris Way" --- an introductory statement from the CEO on the importance of good ethics and values, followed by the mission and vision, the core values, then the code of ethics, and finally some guidelines on how to raise questions or report possible violations.  The code of ethics itself begins with twelve general guidelines applying to everyone at all times in the company.  This is followed by three sections providing guidelines for relationships (a) with clients, (b) with business partners, and (c) with fellow Harris employees.*
   - *the intent of the Harris Way content organization is to keep the ethical guidance integrally linked to the larger mission and vision and culture of the company;  the risk is that the total presentation could feel overwhelming and complicated to some employees.*

**Learning Activities:**

(A) Ask each student to bring in a Code of Ethics ("Standards for Business Conduct," etc.) from a current or former employer and describe (i) its authorship origins, (ii) how adequate ("expert," complete) it was as a set of guidelines for behavior in the company, and (iii) how employees viewed the code.

## Company Presentations & Newsletter Articles

This section describes the process Harris advised for raising and resolving ethics questions and reports of violations.

**Discussion Questions *(& Answers):***

1. **What is the value of companies spelling out a process for employees to recognize and report on ethics questions and problems?**
   - *Clarity of process, speed of response, and company-wide understanding are benefits.*
2. **What are the possible benefits and dangers of advising employees to try first to "speak to the offender(s)?**
   - *(+) resolve problems at lowest possible level, earliest opportunity; can create trust and good communication; offenders generally prefer to be treated like adults and held responsible; offenders who acknowledge own problems may learn, gain respect, salvage careers;  (-) offender may retaliate; questioner may remain silent, intimidated; problem may be unresolved*

**Learning Activities:**

(A) Ask each student to research a company to find out what advice they give, and what channels they have created, for employees to raise questions and report ethics problems. If possible, ask someone at the company how effective these channels have been and what their benefits and drawbacks have been. Share insights in class.

## Recruiting, Hiring, Orientation

The case concludes by pointing forward. Following its five month project to articulate its mission, vision, core values, and ethical guidelines, the work of communicating, training, and implementing ethics and values began in earnest at Harris & Associates.

**Discussion Questions *(& Answers):***

1. **Why isn't it enough for a company to create a set of values and ethics standards and deliver a copy to each employee --- perhaps requiring annually a signature affirming compliance with the standards?**
   - *the message is "this is just a formality, not very important"*
   - *most business today occurs in high speed, high pressure, competitive circumstances leaving little time or inclination for careful ethical reflection*
   - *lacking regular, careful training in company values and ethics, employees default to "what everybody else is doing" or "what we can get away with" or "what we used to do where I worked."*
2. **Why is it that some companies with what seemed like solid ethics and values standards (e.g., Enron, Arthur Andersen, AIG, HealthSouth, Merck) nevertheless found themselves in serious ethical and legal as well as business difficulty?**
   - *ethics and values must not simply be adopted but communicated, implemented, and audited in a systematic, thorough way*
   - *all populations in a company, including boards of directors and top executives, and outside business partners, upstream and downstream, need to be carefully oriented to company values and ethics; many of the business scandals were centered in leadership that acted as though it was above the law and ethics.*
3. **What is involved in effectively (a) communicating and teaching company ethics and standards, and (b) implementing company values and standards ("walking the talk")?**
   - *mission, vision, core values, and ethical guidelines must be communicated regularly and frequently through multiple media and channels: executive and management speeches and presentations, posters and tschotskes (coffee cups, mouse pads, etc.), company newsletters, web site content, and so on*
   - *all segments of the company need at least annual ethics and values training, including some face-to-face discussion and training as well as online training programs*
   - *management must focus regular attention on indentifying and inventing positive, concrete, and specific ways of exhibiting for all to see and experience the mission and each of the company's core values in all aspects of the company culture. Conversely, all misalignments must be eliminated and any personnel who resist company ethics and values must be converted or dismissed.*
   - *management must sanction violations of company ethics and values when they occur --- and continually look for positive ethical behavior in the company to praise and reward.*

**Learning Activities:**

(A) Ask students to report on their own business ethics experiences – or on information from the web or from interviews of business managers – on what makes for effective communication, training, and implementation of ethics values and standards.

(B) Working as individuals or in small teams, have students create a proposal for a comprehensive three-year ethics and values communication, training, and implementation program for Harris & Associates, based simply on information about the company and its ethics and values provided in this case, and drawing on research (web searches, interviews, work experiences, literature, etc.) into other organizational ethics and values programs.

## Ethics & Values Workshops & Online Training

This section describes the history, basic business, growth, and leadership of Harris & Associates.

**Discussion Questions *(& Answers):***

4. **What kind of business (service delivered, client base, etc.) was Harris & Associates in?**
   - *public works projects serving cities, counties, public agencies;*
   - *engineering consulting, construction and project management*
5. **Harris & Associates was one generation old. Should a much younger --- or much older --- organization approach ethics differently? How and why?**
   - *don't needlessly bury small, young organizations in rules—but provide adequate guidance;*
   - *need to revise, improve, keep existing ethics statements fresh and current; never too late?*
6. **Harris & Associates was a privately-held corporation. Would their ethics challenges and opportunities have been any different if they were publically-traded?**
   - *does being privately-held held put less pressure on shareholder demand for an ROI focus?*

**Learning Activities:**

(B) Visit the web to take a look at what kind of ethics and values young (less than 10 years) --- and old (more than 40 years) companies post at their web sites.

## Implementing the Harris Way Throughout the Company

This section describes the history, basic business, growth, and leadership of Harris & Associates.

**Discussion Questions *(& Answers):***

7. **What kind of business (service delivered, client base, etc.) was Harris & Associates in?**
   - *public works projects serving cities, counties, public agencies;*
   - *engineering consulting, construction and project management*
8. **Harris & Associates was one generation old. Should a much younger --- or much older --- organization approach ethics differently? How and why?**
   - *don't needlessly bury small, young organizations in rules—but provide adequate guidance;*
   - *need to revise, improve, keep existing ethics statements fresh and current; never too late?*
9. **Harris & Associates was a privately-held corporation. Would their ethics challenges and opportunities have been any different if they were publically-traded?**
   - *does being privately-held held put less pressure on shareholder demand for an ROI focus?*

**Learning Activities:**

(C) Visit the web to take a look at what kind of ethics and values young (less than 10 years) --- and old (more than 40 years) companies post at their web sites.

## Assessing Company Ethical Health

This section describes the history, basic business, growth, and leadership of Harris & Associates.

**Discussion Questions *(& Answers):***

10. **What kind of business (service delivered, client base, etc.) was Harris & Associates in?**
    - *public works projects serving cities, counties, public agencies;*
    - *engineering consulting, construction and project management*
11. **Harris & Associates was one generation old. Should a much younger --- or much older --- organization approach ethics differently? How and why?**
    - *don't needlessly bury small, young organizations in rules—but provide adequate guidance;*
    - *need to revise, improve, keep existing ethics statements fresh and current; never too late?*
12. **Harris & Associates was a privately-held corporation. Would their ethics challenges and opportunities have been any different if they were publically-traded?**
    - *does being privately-held held put less pressure on shareholder demand for an ROI focus?*

**Learning Activities:**

(D) Visit the web to take a look at what kind of ethics and values young (less than 10 years) --- and old (more than 40 years) companies post at their web sites.

## References & Resources

### 1. Books

David W. Gill, *It's About Excellence: Building Ethically-Healthy Organizations* (Provo: Executive Excellence Publishing, 2008). A manual for managers and textbook for MBA students.

Linda K. Trevino & Katherine A. Nelson, *Managing Business Ethics: Straight Talk About How to Do It Right* (John Wiley, 4th ed., 2006). Among the comprehensive business ethics textbooks this is the best, most practical, and comprehensive. Some practical management advice is included along with outstanding theoretical discussions.

***Others to be added***

### 2. Web Sites ***(to be revised)***

**Business.com** **www.business.com**
Business.com is a major web site ("The Business Search Engine") for anyone seeking links to information on almost any topic in business today. The sub-section on business ethics (in the management section) is a large and valuable catalog of organizational web sites, some offering sample codes of ethics or ethics consulting and education services, some linking you to university centers and professional associations focused on business ethics. A line or two of description is given for each link but no evaluation or rating helps a first-timer to know which sites are better or worse, more or less reliable, etc.. Still, this is a very helpful site.

**Ethics & Compliance Officers Association** **www.theecoa.org**
Ecoa.org is the web site of the Massachusetts-based Ethics and Compliance Officers Association, founded in 1992. The ECOA, with about a thousand members, is the leading organization of corporate ethics and compliance officers, with a significant and growing presence among Fortune 100 companies. Based on the ECOA's own reports at their web site, their ethics officers have many more lawyers among them than people trained in ethics. One of the EOA's current major projects is to develop a comprehensive Business Conduct Management Standard by which compliance can be measured. This "damage control ethics" is now being augmented by more holistic approaches as the ECOA expands its contacts and partnerships beyond the legal departments to include individuals and organizations trained in ethics. ECOA membership is open to individuals and to organizations for a substantial annual fee. The ECOA sponsors various conferences and courses for ethics officers. The web site makes some interesting information available to non-member visitors but it is on the whole rather meager.

**Ethics Resource Center** **www.ethics.org**
Ethics.org is the web site of the Washington DC based Ethics Resource Center. The institutional roots of ERC are in American Viewpoint, founded in 1922 to help immigrants to the US get oriented to American culture and values. In 1977 the mission was refocused under the Ethics Resource Center rubric. The vision is to foster a more ethical world. ERC publishes a monthly electronic newsletter called Ethics Today. ERC sponsors research on individual ethics (especially character development), organizational ethics (especially for business), and global ethics. This is a great organization with a web site that is a gold mine of helpful information on business ethics.

**Ethisphere Institute** **www.ethisphere.com**
The Ethisphere Institute and its web site and magazine are a relatively new resource aggressively promoting its criteria snd ratings of ethical companies, and its membership-based Business Ethics Leadership Alliance. Interesting resources worth bookmarking and revisiting.

**Institute for Business Ethics** **www.ibe.org.uk**
Ibe.org.uk is the web site of the non-profit Institute for Business Ethics, established in 1986 in London. Part of the value of this site is that it provides a perspective from outside the USA. Most of the concerns are common to businesses in most parts of the world, of course. The IBE web site provides some simple, very concrete outlines and strategies for companies wishing to formulate and implement ethics policies, procedures, and codes. The IBE sponsors various seminars and discussion groups and publishes material on various business ethics themes. The IBE view of ethics tends to focus on dilemma and crisis

resolution rather than on broader issues of mission, values, and corporate culture, but this is a good organization with something to teach us.

**Institute for Business, Technology, & Ethics** **www.ethix.org**
The IBTE and its bimonthly magazine *Ethix* was co-founded and co-directed by Boeing technology executive Al Erisman and business/technology ethicist David Gill from 1998 to 2003, since which time Erisman has been the Executive Director. The distinctive characteristic of the IBTE has been the conviction that technology is a driver that is recasting all of business and its ethics, and that all three factors must be considered together: business, technology, and ethics. Probably the most valuable feature of this web resource is the archive of interviews of business leaders

**Markkula Center for Applied Ethics** **www.scu.edu/ethics/**
The Markkula Center for Applied Ethics at Santa Clara University is one of the preeminent centers for research and dialogue on ethical issues in critical areas of American life. The center works with faculty, staff, students, community leaders, and the public to address ethical issues more effectively in teaching, research, and action. The center's focus areas are business, health care and biotechnology, character education, government, global leadership, technology, and emerging issues in ethics. Articles, cases, briefings, and dialogue in all fields of applied ethics are available on this site.

**Society of Business Ethics** **www.societyforbusinessethics.org**
Founded in 1980, the Society for Business Ethics (SBE) is a non-affiliated international association of scholars and others interested in business ethics. Membership in SBE is open to scholars and professional from all disciplines who specialize in business ethics, and to anyone else seeking the benefits of membership. The Society conducts an annual meeting for the presentation and discussion of new research; issues a newsletter with information of interest to members; supports the publication of the Ruffin Series in Business Ethics; and produces the scholarly journal *Business Ethics Quarterly*. Probably the most valuable feature at the SBE web site is the “Business Ethics Resources Page” which provides links to dozens of business ethics centers, publications, and programs.