

Almost a decade later: Have we learned lessons from inside the crooked E, Enron?

Almost a decade after the collapse of Enron, it is time to ask what lessons have been learned from the unethical conduct of the organisation. Enron was the seventh largest corporation in the United States, with a Code of Ethics published in book form (Enron 2000) and distributed to all employees. With Enron's collapse, unethical and illegal behaviour at the highest levels of the corporation emerged. In the years since Enron's demise, public trust in business has continued to decline (Edelman 2009). What can we learn from the events inside Enron to halt the decline of public trust in business? This paper analyses Enron's 64-page Code of Ethics and compares that document against the company's operation and unethical behaviour. This study seeks to discover why the Code of Ethics failed by looking closely at the organisational culture inside Enron, extending the research of other scholars on this topic (Sims and Brinkman 2003) and updating it with historical context. Rather than being seen as a grossly transgressive case, Enron is viewed as an exemplar of an all-too-common failure of ethics when confronted with avarice. More recent examples from the banking industry, the mortgage industry, and Bernard Madoff's Ponzi scheme, led the researcher to wonder if we missed some seminal lessons from the collapse of Enron. As an archetype of greed and legalism, Enron still has much to teach us. Recommendations are made based on this case, and guidelines are discussed that benefit both the study and practice of ethical business and communication. Normative recommendations are made for ethical

corporate behaviour and implementation of successful codes of ethics.

Key words: codes of ethics; value-based management, leadership, Enron

The collapse of Bernard Madoff's \$50 billion Ponzi scheme, the US government's bailouts of the automotive industry, the banking industry, and the misdeeds at bailed-out insurance firm AIG have all created recent headlines eroding public trust in business. The decline in public trust in business began to gain momentum after the collapse of Enron, and is now at a ten-year low in the United States. What lessons did we miss learning from the epic collapse of Enron?

Demands for corporate 'transparency' (Dando and Swift 2003) and credibility are becoming increasingly strident. Modern organisations are expected and required to be ethical by publics, stakeholders, and government. However, there are many factors that comprise corporate stewardship (Arthard-Day 2005), and they are all influenced by communication. This is an interdisciplinary, retrospective study into what caused the breakdown of ethics, communication, and corporate responsibility at Enron, often called 'the crooked E'. If we can learn what went wrong at Enron, where actions did not match ethics, and what lessons to take away then perhaps organisations can begin to understand how to rebuild trust with their publics.

The near-decade time span since the collapse of Enron gives a context, and historical retrospective to this study in light of declining public trust in the many ethics scandals since. Many scholars have discussed the moral failures of Enron (Bowen and Heath 2005; Sims and Brinkman 2003), and most concluded that its organisational culture was corrupt. No studies have looked specifically at the code of ethics that Enron espoused and what employees say about it and how that code was followed. This research adds an in-depth look at the *Code of Ethics* document that should be valuable to ethicists who write, examine, and enforce codes of ethics, ethics statements, or study the ethical components of organisational culture. Through examining Enron's code, we can ascertain the values used and the strengths and weaknesses of the code to see why it failed. Analysis of the discourse in that document shows the moral paradigm to which Enron ascribed and how that paradigm was flawed or exemplary, and interviews with those inside Enron add context to the discussion.

The role of a code of ethics

The purposes of codes of ethics have been described by scores of researchers, but can be summarised as follows. Such codes exist to enhance the ethical climate in an organisation (Bowen 2004; Raiborn and Payne 1990), to teach ethical values to employees (Kaptien 2003), and to influence behaviour (Cassell et al. 1992; Murphy 1998). However, having a code of ethics does not ensure it is followed or even in currency in the organisational context. Weiss (1994: 125) explained: 'Ethics codes are a necessary but not sufficient means of assisting professionals in managing moral conduct in companies.'

In many cases, the code of ethics is a simple one-page document that is only referred to in times of crisis. In other instances, the code might be a well-known and integrated part of organisational culture. Codes of ethics have been both criticised for being nonenforceable and also lauded for being useful in all situations. Other theorists (De George 2006; Sullivan 1989, 1994) argued that a code of ethics need not be enforceable because decision makers should follow its guidelines out of desire to be ethical rather than from compulsion.

A code of ethics serves the role of delineating organisational values and expectations for use in ethical decision making and issues management. However, a code of ethics is only as good as the value decision makers place on it as a guide to decision making. If a code of ethics exists but is not frequently employed, then even the best code becomes useless (Cassell et al. 1992). Murphy (1998: 8) maintained: 'The litmus test for any type of ethics document is whether members of the organisation follow it on a daily basis.'

Murphy (1998) used the often-cited Johnson & Johnson credo as the best example of an ideal ethics statement. The credo is a four-paragraph statement, specifying organisational values, its commitments to certain publics (consumers, medical professionals, employees, and stockholders), and the priority order in which those publics are to be considered (as listed above). Research comparing two well-known codes of ethics with their use within the organisations revealed that when the ethics statement is a living document, meaning discussed on a regular and frequent basis, and routinely employed in managerial decision making, more thoroughly considered and enduring ethical decisions result (Bowen 2004). These findings, and those of researchers examining Enron's organisational culture

(Sims and Brinkman 2003) are proof positive that an ethics statement or code of ethics is an important part of the organisation's culture, but it must be referred to on a frequent basis and actually used in managerial decision making, rather than gathering dust as an infrequently-employed and often-forgotten policy document.

Moral philosophy and ethical paradigms

A critical component of organisational ethics and ethical paradigms begins with the individual ethics of the organisation's executives. The success or failure of implementing a code of ethics depends on the executive's ethical issue decision-making ability. Moral philosophy delineates three broad approaches to ethical decision making: materialism, deontology, and utilitarianism. These three broad paradigms of ethics can be further subdivided into more specific schools of thought, but for our purposes this conceptualisation is sufficient.

Materialism or ethical egoism

Materialism is best defined by the question: 'What is best for the decision maker?' In many cases the decision maker is a single executive. Using a materialistic or ethical egoist paradigm (De George 2006), the executive would ask the question: 'What is best for me?' Few scholars consider materialism a normative mode of ethics, and for that reason it has garnered little philosophical inquiry. Materialist philosophy holds that the person should act only out of self-interest, and everyone else should do the same. In many organisations, this paradigm of ethics also leads to political machinations because the moral standard of the decision maker is: 'How will this decision affect my image; to my superior, to colleagues, to others outside the company?' The decision maker can also be a team, a board of directors, or a committee.

Deontology

The second paradigm of ethics, deontology, is arguably the most complex and comprehensive approach to ethical decision making. Deontology is described by the idea: 'Do what your moral duty indicates is ethically correct.' As with materialism, this approach can be applied by an individual or a collective. In Kant's (1785/1964) deontology, efforts are made to evaluate a decision by exposing all potential ethical issues and those thereby affected. Then the decision is discussed in terms of being morally right rather than expedient, convenient, or prudent, resulting in a rigorous ethical analysis of many factors.

The categorical imperative is the test that helps to evaluate the moral rightness of a decision under consideration. As Kant (1785/1964: 88) maintains: 'Act only on that maxim through which you can at the same time will that it should become a universal law.' Kant's categorical imperative is universal in that it obligates everyone under the decision, including the decision maker, providing for no 'special exceptions' that might introduce unfairness. It includes reversibility because it includes how the decision maker would perceive the decision if he or she were on the receiving end of the outcome. Respect is addressed by asking the decision maker if the decision maintains dignity and respect for those involved. Moreover, deontology acknowledges as ethical only those decisions which are made from a morally good will.

Utilitarianism

The third ethical paradigm, utilitarianism, emerged through the work of Jeremy Bentham and John Stuart Mill (De George 2006). Utilitarianism holds the doctrine that the purpose of all actions should be to bring about the greatest amount of good to the greatest number of people. Utilitarianism is based on the utility, or usefulness, of a decision to the majority. Therefore, the ethical nature of a decision is judged not by moral principles of right and wrong, but by the consequences of that decision in changing conditions for a majority or a group such as publics or stakeholders.

In utilitarianism, the majority or greatest number always wins, which is likely to produce a backlash from small but vocal publics such as activist groups. Decisions which are unethical to the concerns of the minority could be made and justified through utilitarianism since it only serves the interests of the majority. It often overrides important change pressures from the environment of an organisation that come from a concern held by a small group and is, therefore, sometimes used to reinforce the status quo. In general, utilitarianism seeks to further decisions that are 'in the public's interest' or promote the 'greater good'.

From this overview of these three approaches to ethical decision making and a brief review of the Enron case, one could postulate that the paradigm used by the Enron executives was materialism. This paper will next examine the Enron *Code of Ethics* for indications of materialism in use, as well as deontology and utilitarianism.

Methodology

The Enron code was examined through textual analysis and contextually augmented with interviews. This approach should allow understanding of what role the code of ethics did – or did not – play at Enron. Specifically, this study critically applies three major approaches of moral philosophy to the Enron code. On a word-by-word and phrase by phrase basis, the Enron code was compared and contrasted with the tenets of materialism, utilitarianism and deontology. Scholarship on document analysis (Hodder 1994) was used to guide the analysis of the Enron code, as well as works relating to document analysis in qualitative methodology (Lincoln and Guba 1985; Prior 2003; Strauss and Corbin 1994) and discourse analysis (Cheney and Vibbert 1987; Darwall et al. 1997; Foucault 1972; Swales and Rogers 1995; Van Dijk 1985).

Another source of data for this project came from semi-structured interviews with a source inside Enron, described below, and six former Enron employees. Qualitative methodology scholars specialising in interviews (Rubin and Rubin 2005; Spradley 1979), narrative (Czarniawska 2001, 2004), and elite interviews (Hertz and Imber 1995) informed this phase of data collection. The researcher took care to build trust and rapport over a time period of two years with the confidential source because he or she was highly concerned with visibility and confidentiality.

Long interviews were conducted with six other former Enron employees who held jobs ranging from energy trading to management of financial accounts with subsidiary organizations. These former employees were truly on the 'front lines' of the Enron scandal, so their reports were invaluable in providing insight into ethics and values in day-to-day operations.

It should be understood that the comments of the interview participants and the executive informant are intended to offer insight into a closed system (Grunig and Hunt 1984) rather than to provide comments generalisable to all organisations. The 'insider perspective' in a highly closed organisation such as Enron was deemed sufficiently valuable for warranting the inclusion of the confidential source in this research.

Analysing Enron's Code of Ethics

Enron's 64-page code (*Enron 2000*) reveals much about the organisational culture and values of the company's leaders. The soft-cover

book was distributed to all employees, along with a document called a *Certificate of Compliance* which the employee was required to sign and return. The code book is divided into several chapters of a few pages each, individually handling different topics, such as 'safety', 'trade secrets' and 'anti-trust laws'.

Foreword by Ken Lay

The document begins with a foreword by the chairman and chief executive officer, Kenneth L. Lay, dated 1 July 2000 (Enron 2000: 2). Written as a letter to Enron employees, in it Lay asserted that employees were responsible for conducting business in 'accordance with all applicable laws and in a moral and honest manner'. Though Lay began the booklet by referring to ethics in terms of both moral and legal requirements, the pretence of moral uprightness was quickly abandoned in the document in favour of legal correctness. Perhaps the value placed on morality at the highest level of the corporation can be seen in the sentence above: Lay put legal correctness first and added morality and honesty as secondary considerations, as if these concerns were afterthoughts. The title of the document is *Code of Ethics* so the quick reversion to legalism is telling. Researchers (Joyner et al. 2001: 113) have termed this approach the 'legal compliance strategy' versus 'the integrity strategy'.

Further, Lay's request included the stipulation of all 'applicable' laws, implying that if a law existed in one locale but did not exist in another jurisdiction, it was permissible to engage in the questionable activity where that law was not 'applicable'. This view is indicative of a materialistic approach to ethics because it served the decision maker's interests without regard for the greater good or generalisable moral norms of behaviour.

Lay referred to the already 'high' reputation of Enron for 'fairness and honesty' (Enron 2000: 2) and encouraged employees to each take personal responsibility for keeping that reputation admirable. He asked employees to read the *Code of Ethics* thoroughly and carefully, and to reflect on past decisions in light of these policies. Lay added: 'It is absolutely essential that you comply with these policies in the future.' In essence, Lay excused past unethical behaviour in favour of an admonition to be ethical in the future – the same argument he used when confronted at an employee meeting regarding the propriety of using dummy partnerships to hide debt. Lay told employees that, although the partnerships were not

technically wrong, Enron would not use them again. This approach emphasised symbolism and façade over the substance of morally worthy actions and honesty.

Lay referred employees confronting an ethical dilemma to Enron 'legal counsel'. Although employees were directed in the booklet to return a signed *Certificate of Compliance* to a person identified as 'deputy corporate secretary and director of stockholder relations' (ibid: 3), they were not directed to discuss ethical concerns with that person. This pattern held true throughout the document: employees were directed to discuss any ethical questions with the legal department. This approach is problematic because it can result in decision makers substituting a legal analysis for an ethical analysis. Ethical analysis and legal analysis are not synonymous (Raiborn and Payne 1990; Reber et al. 2003).

In summary, Lay's foreword set the tone for the code of ethics, and to some extent, the values and culture of the organisation. An analysis of the language Lay used in the foreword shows evidence of decision making based on reputational concerns, but lacking sound policy, or symbolism over substance. From analysis of this document, Lay appeared to be an ethical materialist without normative philosophical values to guide the organisation. Further, he deferred judgment on ethical matters to legal counsel and valued legalistic norms over moral norms, also a materialist paradigm that allowed a self-serving view of ethics. The fact that Enron's leaders, later indicted under various criminal charges, were moral materialists is not surprising because it follows the vision Lay established.

First thirteen pages of the Enron Code of Ethics

Following the foreword, the first thirteen pages of the code of ethics, approximately one-fifth of the document, were devoted to what an ethicist would consider the values and ethical guidelines of the company. As discussed below, the next four-fifths of the document had little connection with ethics, despite the title of the book.

This section of the document began with asserting 'Principles of human rights' (ibid: 4) and contained elements of both deontology and utilitarianism. 'Respect' and 'integrity' were each delineated as 'core values' of the organisation, synonymous with Kant's deontological consideration for maintaining the respect and dignity of others. Other considerations were outlined in deontological terms, such as the

'obligation to communicate' based on duty, or the assertion: 'Ruthlessness, callousness and arrogance don't belong here' (ibid). The utilitarian view of contributing to communities for the greater good of all was emphasised. Goals such as 'promoting healthy families' (ibid: 6) also illustrated utilitarian ideals.

Enron's emphasis on legal norms reappeared in this section. The 'Principles of human rights' section included several sections on the laws that must be obeyed in this area, not the moral norms and values that lead to upholding such laws. Enron's *Code of Ethics* regularly placed moral standards in a secondary role to legal standards. This misappropriation of priority was exemplified in the statement: '...including, but not limited to, the US Foreign Corrupt Practices Act, and with the highest professional and ethical standards' (ibid: 5). What this implied was that the letter of the law must be followed first and foremost, and that ethics could also be considered secondarily.

The book devoted two pages to what it titled 'Business ethics' (ibid: 12-13). However, upon reading the information, it was apparent that the title was an inaccurate description of the content of the pages that simply established the confidentiality agreements that employees of Enron had to uphold with regard to proprietary information, and took away the employee's freedom to speak about the company with others, and specifically the media, both during and after employment.

The 'Business ethics' section also specified that agreements with other organisations must be cleared by the legal department, and that hiring outside legal counsel was at the sole discretion of the legal department. Finally, the section explained that employees must agree to comply with the stock ownership guidelines established by the Enron board of directors. In the section devoted to 'Business ethics', employees were told to 'consult with the legal department with respect to any questions you may have in this regard' (ibid: 13). This finding was significant in that it indicated there was no corporate ethics officer available for consultation on ethical dilemmas, and that any such questions were turned over to attorneys. Attorneys are generally well versed in law but they are not experts in moral philosophy. Therefore, they could only advise about what was legal in a given situation, not what was the ethically valid course of action.

From the analysis of the *Code of Ethics* thus far, Enron appears to have abdicated its position as an ethical corporate citizen and decided to follow legal norms rather than ethical principles. This approach was indicative of a materialistic paradigm because Enron used the most expeditious route to solve questions of ethics, in this case the legal department, as a way to satisfy what was best for the company. The rigorous analysis called for in a normative moral paradigm (e.g., utilitarianism or deontology) would have required time and resources to be devoted to the pursuit of ethical decision making. In looking only at its own interests, the hallmark of materialism, Enron lost sight of moral self-governance and accountability. It sought only legal compliance.

The rest of the document – and the missing code of ethics

The remaining four-fifths of Enron's *Code of Ethics* was a recitation of corporate laws, and served as a contractual agreement between employer and employee regarding the ownership of equipment and intellectual property, and conflicts of interest. The final page explained that employees were required to agree to all policies in the code and mandated a signed statement to that effect 'as frequently as the company may deem advisable' (2000: 61) to maintain employment.

The remaining sections are listed here:

- Confidential information and trade secrets
- Safety
- Use of communication services and equipment
- Internet security
- Governmental affairs and political contributions
- Consulting fees and commissions
- Compliance with the Foreign Corrupt Practices Act
- Compliance with Antitrust Laws
- Compliance with environmental law
- Conflicts of interest
- Investments, and outside business interests
- Responsibility for reporting, compliance and administration.

Although these operating policies were important to the functioning of the organisation, they belonged in a policy manual rather than in a code of ethics.

On examination of the document, one finds there was actually no code of ethics! Although the values of the organisation were identified

on one page (ibid: 4), these values were deserted in discussion and implementation, and clearly not in use in decision making throughout the organisation. Rather than providing guidance, norms, and values for use in analysis, the Enron document simply referred those with dilemmas to legal counsel.

View from inside Enron

An executive source inside Enron, employed by the organisation during this study, after Enron's collapse and bankruptcy, agreed to talk to the researcher on the condition of confidentiality. The source's responsibilities inside Enron could not be divulged here, but were judged to be a position of policy-level knowledge. The source functioned in a executive capacity in Enron that allowed witnessing upper-level management decisions, behaviour, values, and using the code of ethics or other ethical analysis. When asked about the enforcement and adherence to the code inside Enron, the source explained:

The 'commercial' side was basically made up of three environments. The lower-level employees were expected to abide by all the rules, procedures, etcetera. The executives exempted themselves from the rules and regulations. The third group was the 'outlaws' led by Andy Fastow and Michael Koppers who were operating totally outside of all company accountability and rules. And, as long as they were bringing in cash, the company was willing to look the other way. The desperate need for cash was set up by the business model Enron adopted.

The source related the idea here that prudential self-interest was the cause of certain executives ignoring the code and doing whatever they deemed beneficial from a cash-flow standpoint. This view is representative of the materialistic approach to moral philosophy in which the decision maker is self-serving. Basically, greed was the cause of Enron's turning from its own long-term best interest.

The source's comment was also revealing in that it showed an inverse relationship to the moral accountability of what actually should happen in such a situation. The source observed that as an employee higher up in the organisational structure of Enron, he was less obligated to follow the organisation's *Code of Ethics*. This approach is counter to the normative model, in that higher-level issues management policy decisions are made by the leadership of an organisation who, therefore, hold the most moral

responsibility for adhering to the code of ethics. The source explained that the organisational culture at Enron was one that encouraged 'pushing beyond legal and ethical limits' and that in a true adherence to a materialist approach, senior executives believed that 'the end justifies the means'. The Enron executive explained that the nature of Enron's organisational culture was calculated:

It was intentionally aggressive. We sought out the best and brightest people. We intentionally hired people who were aggressive, quite greedy, and had the desire to take risks. These people had to be willing to do whatever it takes to make money.

Perhaps most significantly of all, when asked about how the Enron code document was used on a day-to-day basis in making business decisions, the source commented: 'There was no discussion of ethics.' The executive explained:

Ethical decisions were not even considered a problem to be looked at. We feared divulging information more than absolutely *anything* else. The code of ethics never came up again after my first day on the job when they gave me the booklet.

The executive maintained that employees were to 'let people off the hook' for ethical violations as long as the action was contributing money to Enron and used the example of a 'trading fiasco' in which employees were not penalised for fraudulent stock trading.

Several sources added information about the high level of avarice and excess among former Enron leadership to the ethical concerns expressed in the interviews. The sources told numerous stories of enormous cash bonuses for executives, a \$10,000 lunch bill for one executive, huge expenses at 'exotic dancer clubs' infamous inter-office affairs, Ferraris delivered as bonuses, a clerical employee being paid \$600,000 per year, and strippers reporting to the executive floor. 'The excess was monumental. Those executives paid cash for Ferraris and got reimbursed for anything they wanted. It was rotten to the core,' the insider explained.

One source explained that in the year before bankruptcy, the deeper Enron's revenue problem grew, the more desperate senior executives became to hide debt and create false cash-flow. That desperation, the source determined, led to ever-increasing unethical, risky, or illegal behaviour by the top decision makers. The source

reasoned: 'It is a slippery slope. The more they needed money, the further they were willing to go to get it.' Again, this view was evidence of the materialist paradigm of ethical decision making in action at Enron. The finding that the code document was never used in decision making was not surprising, given its reliance on legal rather than ethical norms.

Conclusions

We can draw the conclusion that many of the leaders in Enron used a materialistic paradigm for decision making rather than a framework based on moral philosophy, such as the normative ethics of deontology or utilitarianism. Materialism, when applied in a business situation, can encourage avarice and greed, as reported by the former-employee sources. Materialism has failed to gain acceptance as a normative approach to ethics because the selfishness upon which it is based is seen by other schools of thought as an inappropriate basis for ethical analysis.

Enron's code document was clearly based on a legalistic paradigm rather than one grounded in moral philosophy. Codes of ethics are normally deontological in approach because they outline one's moral obligations and duties as an employee. The document contained words that indicated elements of utilitarianism and deontology, but offered no means of implementation or analysis. The document placed many legal restrictions on employees, referred to US laws for ethical decision making, and encouraged those with an ethical dilemma to consult the legal department. Therefore, Enron aspired to only legal compliance, *not* moral responsibility. This document codified the view that if a loophole existed or an activity was not clearly labeled as illegal by legislation, then it was acceptable to engage in that activity. Enron valued risk-taking, and the *Code of Ethics* made it apparent that risk taking in a moral or ethical realm was implicitly accepted.

The legalistic paradigm led the way for materialism in the idea that 'as long as this activity isn't specified as illegal then it is okay'. The façade of an ethical organisation was in place at Enron – the substance with which an ethical organisation is made, based on examining ethical decisions in light of moral philosophy, was not.

It is vital that an organisation effectively address and resolve ethical issues, as illustrated by Enron's fall from being one of the largest energy organisations on the globe to bankruptcy and criminal prosecutions. Ethical issues

pose a particular challenge for an organisation's top management, and publics outside the organisation are increasing their scrutiny of corporation responsibility post-Enron. Developing and using a code of ethics is one avenue of managerial leadership that can foster more responsible corporate behaviour.

Effective ethics programmes require more than having a code of ethics document – even a thorough and well-written ethics document is not enough to help an organisation if it is infrequently employed. Exemplary ethics programmes require that the organisation consistently and routinely follow these standards in decision making and implementation of those decisions. Ethical standards are endorsed in a top-down manner by the leadership of an organisation (Sims 1994). A company's leadership should be visionary in that top executives should define and ascribe to a mission that emphasises ethical decision making as a component of long-term organisational efficacy. It is up to the leaders to define the ethical values of the organisation and codify an approach to making decisions on ethical issues, as well as to set a strong example in following these ethical guidelines. Once ethics are codified, leaders should encourage, analyse, and reward ethical decision making.

Communication about a code of ethics is vital. That communication must be frequent and ongoing lest the document becomes one more piece of paper to file away and forget, as the Enron example, illustrates. More modern cases of unethical behaviour resulted in a collapse so dramatic as to require government intervention and buy-outs, such as AIG (an insurance giant), Bank of America (financial), GM (automotive), and Fannie Mae (an enormous mortgage entity). With financial markets destabilised around the world by these enormous failures, we can see the importance of ethics and ethical management as central to the very core of modern business.

Ethicists took Enron as a warning, but we did not have enough impact to avoid the ethical missteps leading to the global financial meltdown of 2009. What can we learn now? If Enron had had a well-developed, functioning ethical decision-making process in place, perhaps the disastrous results of their defective decision making could have been avoided. As the Enron case illustrates, ethical analysis must be a part of all managerial decisions. To generate ethical behaviour it is not enough to have a code of ethics if the document is little used. It is

also not enough to create a code of ethics that relies on legalistic standards rather than moral norms because such shallow analysis falls short of the rigour required by the moral philosophy of a deontological or utilitarian paradigm. If organisations had learned the lessons illustrated so dramatically by Enron, could we have avoided the Ponzi scandal, the government bailouts of numerous corporations, and a falling trust in business?

This research found that a materialist approach fails as an ethical guideline, as Enron shows. Based on the literature, the analysis of the Enron *Code of Ethics* document, and interviews with a leader inside Enron, we can conclude that a code of ethics should be communicated about often, and should be involved in management decisions. In summary, a code of ethics is not a legal document that should spell out legal guidelines, but a values document that should explain what moral norms the organisation should strive to include in daily decision making. Have organisations incorporated these lessons in the years since Enron?

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Note on Contributor

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