

7.6: Summary

Section Summaries:

7.1 Loyalty to the Company

Although employees' and employers' concepts of loyalty have changed, it is reasonable to expect workers to have a basic sense of responsibility to their company and willingness to protect a variety of important assets such as intellectual property and trade secrets. Current employees should not compete with their employer in a way that would violate conflict-of-interest rules, and former employees should not solicit previous customers or employees upon leaving employment.

7.2 Loyalty to the Brand and to Customers

Employees have a duty to be loyal to the brand and treat customers well. Internal marketing is one process by which a company instills employee commitment to the brand and builds loyalty in its workforce. This loyalty should be a two-way street, however. If the company wants its employees to treat customers with respect, it must treat them with respect as well.

7.3 Contributing to a Positive Work Atmosphere

Ethical employees accept their role in creating a workplace that is respectful, safe, and welcoming by getting along with coworkers and doing what is best for the company. They also comply with corporate codes of conduct, which cover a wide range of behaviors, from financial dealings and bribery to sexual harassment. In addition, they are alert to any situation in the workplace that could escalate into violence. In short, the employee has a duty to be a responsible person in the job.

7.4 Financial Integrity

Legal and cultural differences may allow bribes in other countries, but bribery and insider trading (which allows someone with private information about securities to profit from that knowledge at the public's expense) are illegal in the United States, as well as unethical. A clear gift policy should be in place to help employees understand when it is acceptable to accept a gift from another employee or an outsider (such as a vendor), and to distinguish gifts from bribes.

7.5 Criticism of the Company and Whistleblowing

Employees should understand that there are limits to what can be posted about their employer online, just as there are limits to what they can say in the workplace, and that the First Amendment generally does not protect such speech. Whistleblowers are protected, and sometimes rewarded, for their willingness to come forward, but they can still face a hostile environment in some situations. Employees should not use whistleblowing as an attempt to get back at a boss or employer they do not like; rather, they should use it as a means to stop serious wrongdoing.

Key Term

brand

a type of product or service marketed by a particular company under a particular name

branding

the process of creating, differentiating, and maintaining a particular image and/or reputation for a company, product, or service

bribe

a payment in some form (cash or noncash) for an act that runs counter to the legal and ethical culture of the work environment

duty of confidentiality

a common-law rule giving an employee responsibility to protect the secrecy of the employer's proprietary information, such as trade secrets, material covered by patents and copyrights, employee records and salary information, and customer data

duty of loyalty

a common-law rule that requires an employee to refrain from acting in a manner contrary to the employer's interest

Foreign Corrupt Practices Act

an amendment to the Securities and Exchange Act of 1934; its main purpose is to make it illegal for companies and their managers to influence or bribe foreign officials with monetary payments or rewards of any kind in an attempt to get or keep business opportunities outside the United States

insider trading

the buying or selling of stocks, bonds, or other investments based on nonpublic information that is likely to favorably affect the price of the security being traded

intellectual property

the manifestation of original ideas, protected by legal means such as patent, copyright, or trademark

internal marketing

the process of getting employees to believe in the company's product and even to buy it

non-compete agreement

a contract clause ensuring that employees will not compete with the company during or after employment there

nondisclosure agreement

an agreement to prevent the theft of trade secrets, most of which are protected only by a duty of secrecy and not by federal intellectual property law

nonsolicitation clause

an agreement that protects a business from an employee who leaves for another job and then attempts to lure customers or former colleagues away

pay secrecy

a policy of some companies to prevent employees from discussing their salary with other workers

qui tam provision

the section of the False Claims Act of 1863 that allows private persons to file lawsuits for violations of the act on behalf of the government as well as for themselves and so receive part of any penalty imposed

trade secret

a company's technical or design information, advertising and marketing plans, and research and development data that would be useful to competitors

whistleblowing

the act of reporting an employer to a governmental entity for violating the law

work style

the way and order in which we are most comfortable accomplishing our tasks at work

workplace personality

the manner in which we think and act on the job

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