Blackfoot Farms

Scenario B:
Ethics and Mistreatment of Animals

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Please note: All company and individual names in this case are fictional.

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The case begins with introductory information about the organization and is then divided into three scenarios.

Each scenario includes question sets for undergraduate and graduate students. A debrief is included with each scenario, but because management dilemmas can be resolved using a variety of solutions, expect that students may come up with solutions that differ from those included in the scenarios. This document contains only Scenario B: Ethics and Mistreatment of Animals. The scenarios are as follows:

- **Scenario A**: Communication and Employee Relations
- **Scenario B**: Ethics and Mistreatment of Animals
- **Scenario C**: HR Technology/Fair Labor Standards Act (FLSA)
Blackfoot Farms has been a leading producer of dairy products for the southeastern region of Idaho since 1942. It is the second largest of the 600 dairy farms in Idaho, a state which has the fourth highest number of dairy farms in the United States, surpassed only by California, Wisconsin and New York. Like in other states across the country, Idaho dairy farms are declining in number for economic reasons. Dairy product prices in the U.S. have dropped dramatically during the past four years because the industry’s production capacity has met demand nationally and internationally. A strong dollar also makes it difficult for foreign consumers to afford U.S. dairy exports. Fewer exports and the money associated with them have forced many U.S. farms to sell off their operations to competitors. Luckily for Blackfoot Farms, only about 3 percent of its dairy production is exported outside the U.S.

Blackfoot Farms has had a long-term strategy for more than 20 years to become larger and more productive. Blackfoot Farms bought three adjoining farms between 1995 and 2005, expanding its holdings to its current 3,000 acres. Family-owned and operated for four generations, Blackfoot Farms began with a herd of 15 cows and 225 chickens on roughly 100 acres of land five miles west of the town of Blackfoot, Idaho. Today, Blackfoot Farms is home to 2,000 cows and 3.5 million chickens.

The latest expansion required the farm to hire workers at a faster rate than ever before. The number of employees in its production facilities increased more than 125 percent during that 10-year period. As the farm continued to add new employees, it also began investing in technology to become more efficient in its rapidly growing dairy and egg production facilities. Blackfoot Farms currently employs 245 full-time and 140 seasonal employees. Thirty-five percent of the workforce are immigrants, the majority of whom originate from Mexico, Guatemala and Nicaragua.

Dairy farms that hire immigrant laborers are often vilified because people feel they are taking away jobs from U.S. citizens. Blackfoot Farms, like many in a similar position, is quick to defend its hiring practices. In a recent interview with a local television station, Blackfoot Farms CEO Mitch Alexander said, “I don’t know if we could exist without our immigrant workers. They are hardworking, dependable and willing to learn. We have hired local residents
who have been exceptional workers. To be frank, though, there aren’t a lot of them lining up for work.” With a smile, he added, “It’s not easy work. Let’s just say the conditions are less than ideal for most, and we can’t have everyone working the 9-to-5 shift. Cows can’t milk themselves.”

Blackfoot Farms knows that despite its strong position in the market, it needs to adapt to changing conditions to be successful in the long term. The farm currently has state-of-the-art processing and production plants for its milk and egg operations. Two of the three dairy production facilities have already reached capacity, and the third is expected to be at capacity within the next two years. The farm recently broke ground on a fourth facility, which will be completed in nine months. Blackfoot also recently redesigned its manufacturing plant to increase production because of demand for other beverages it makes, including iced tea, lemonade and fruit drinks. Blackfoot Farms is a top supplier to major supermarket chains in Idaho, Wyoming, Montana and Utah, providing supermarkets with its full beverage line and egg products.

Blackfoot Farms opened its first restaurant in 1997 next to its headquarters, with a second restaurant opening in 2006 just 10 miles north of Idaho Falls. A visitor center was added in 1998 and has grown significantly over the years to include a gift shop. The center also hosts farm tours throughout the year to thousands of guests. Blackfoot Farms believes its strategic diversification over the past 20 years has helped it navigate market fluctuations caused by the economy and extreme weather conditions.

FOURTH-GENERATION FAMILY FARMING

Blackfoot Farms CEO Mitch Alexander spent the majority of his childhood on the farm. His father and grandfather often talked about how interested Mitch became in farming at an early age, peppering them with questions about different areas of the operation. Mitch earned his bachelor’s degree in business administration from the University of Idaho. He spent the next 15 years after graduation overseeing every operation at Blackfoot Farms, with exception of the restaurant. He was promoted to general manager in 1998 and served in that capacity under his father’s guidance until his father’s retirement in 2005.

Mitch met his wife, Suzanne, at the University of Idaho. Suzanne has since pursued her passion in marketing and communications to build and oversee Blackfoot’s marketing department. It was Suzanne’s vision that led to the creation of the visitor center, which attracts multiple generations to Blackfoot Farms.

Mitch and Suzanne have three children. Bryce is their oldest and has been the general manager of Blackfoot Farms for the past eight years. He has a background in logistics and supply chain management. Before his current
role, Bryce oversaw the shipping and receiving department for four years. Mitch and Suzanne’s oldest daughter, Jan, has been the director of finance for the past four years. She joined Blackfoot Farms after college and worked as an accounting clerk and budget manager for the farm for six years before assuming her current role.

Sara is the youngest of the three. Unlike her siblings, she did not have a direct path to Blackfoot Farms. Sara, known by her parents as the “free spirit” of the family, decided that she wanted to create her own opportunities and not rely on her family to get her a job at Blackfoot. Sara studied to be a secondary education teacher at the University of Idaho but realized during her student teaching experience that teaching was not the career for her. After graduation she accepted a position as a human resource specialist for a Fortune 500 global food supplier. After three years in that role, she took a job as an organizational development consultant for another Fortune 500 company. Her specialty was organizational change initiatives, including corporate restructuring.

Mitch has always been concerned about how his family is perceived by his employees and the public. He doesn’t want employees to think his children were handed management positions. He made it clear to Bryce and Jan when they joined the business that they would have to learn the entire operation from the ground up. Both started by milking cows and caring for the chickens.

THE BRIEF UNSUCCESSFUL HISTORY OF HUMAN RESOURCES AT BLACKFOOT FARMS

The human resource (HR) department at Blackfoot Farms consists of three full-time employees—an HR manager, an HR coordinator and a payroll clerk—and a part-time HR assistant. The organization hired its first HR professional in 1998 when it added its retail operation. As the organization grew and diversified, the management team realized it needed to formalize its HR systems. Mitch felt that the complexities of running the farm required managers to become less hands-on and to think more strategically; he also believed that laborers should become more specialized. This was Mitch’s ideal scenario, but the reality was far from ideal. Despite an intentional shift to formalize HR, all of the divisions—including the production facilities—continued to operate as they did before. Encouraging managers to think and operate more strategically continues to be a challenge. For example, Mitch has expressed his frustration to Bryce that production supervisors are not taking full advantage of the additional data being gathered through recent technological advances to support the farm’s long-term growth. They also lack core supervisory skills to motivate employees to perform their best.
Recruiting and retaining employees with the appropriate skills continues to be a challenge. Many production employees join Blackfoot without any previous farming experience. There is also significant employee turnover in the production facilities, primarily in the nonimmigrant labor force. And the lack of advancement opportunities frustrates employees. Although HR programs like onboarding and professional development are becoming formalized, managers are not consistent in enforcing HR policies with their staff. In addition, establishing performance goals, performance evaluation systems, effective recruiting and employee training have had limited success. Employee turnover has increased nearly 25 percent during the past five years, and managers are beginning to realize that practices need to change to become more productive in the long run.

Mitch understands that the farm’s past investment in HR has not provided the results he wanted to achieve. He has contemplated for several days about calling his youngest daughter, who he knew would be able to build the HR systems Blackfoot required. Mitch has been hesitant to call Sara because he knew she wanted to create her own future. He also knew how fulfilling her career had been; all he ever wanted was to see his children happy in their chosen profession. Blackfoot Farms was experiencing a series of workforce challenges, however, including recruiting and cross-cultural communication. These challenges led to the departure of their second HR manager in five years and the third in 10 years. The last two managers cited “relocation” as the reason for leaving, but Mitch knew the fit had not been ideal in both instances. Both had sound HR backgrounds but lacked the strategic perspective Blackfoot Farms desperately needed. Cultural issues at Blackfoot—mainly resistance to formal HR policies and procedures—also have contributed to the lack of progress.

Mitch wondered how much of this failure was due to his own lack of appreciation for the HR function. He certainly was not proud that the HR manager position had turned over three times in a 10-year period. It is never easy to revise policies and procedures in a change-resistant culture like Blackfoot Farms. Did he want his own daughter to experience those challenges? Whatever he decided, he knew he needed to get it right this time. Despite a lack of HR systems, Blackfoot had been successful, but Mitch knew advancing HR was critical to maintaining and growing Blackfoot Farms in the long term.

Mitch held a series of conversations with Sara and finally convinced her to join the family organization. The last conversation took place over a holiday weekend when Sara was visiting her family. Mitch and Sara walked around the farm after dinner one night and discussed several topics. When Sara asked if she would be reporting to her sister, Jan (director of finance), Mitch laughed to deflect the awkwardness of the moment. Sara took this as a “yes.”
The previous HR managers reported to the director of finance, the last two reporting to Jan. Sara stopped and turned to her father, “You’ve gone through three HR managers in 10 years. I don’t want any special treatment, and I mean no disrespect to Jan. But if you want to have a strong HR operation and one that is finally respected, I need to report to you.” Mitch hesitated briefly and said, “I need to talk with your sister, but I think it will be a welcome relief for her. She would be the first to admit that she didn’t give HR the support it needed. It will be a director-level position, titled director of human resources since you’ll be reporting directly to me.” Sara Alexander became the newest employee of Blackfoot Farms two months later.

Figure 1: Organizational Structure: Blackfoot Farms
Figure 2: Human Resource Department Structure: Blackfoot Farms

- **Director of HR**
  - Sara Alexander

- **HR Assistant**
  - Shirley Kemps

- **HR Coordinator**
  - Silvia Blair

- **Payroll Clerk**
  - Tiffany Curtis

Figure 3: Number of Employees by Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Full-Time</th>
<th>Part-Time/Seasonal</th>
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<td>23</td>
</tr>
<tr>
<td>Egg Production</td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td>Bottling Production</td>
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<td>10</td>
</tr>
<tr>
<td>Retail and Visitor Center</td>
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<td>36</td>
</tr>
<tr>
<td>Restaurant Operation</td>
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<td>35</td>
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<tr>
<td>Maintenance</td>
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<td>8</td>
</tr>
<tr>
<td>Sustainability</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Administration (marketing, communications, IT, HR, finance, sales, senior management)</td>
<td>64</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Employees</strong></td>
<td><strong>245</strong></td>
<td><strong>140</strong></td>
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Scenario B: Ethics and Mistreatment of Animals

Employees and anyone close to Blackfoot Farms know that the company’s ethical standards have been a core value it credits as a key to its success. These ethical standards include demonstrating a solid work ethic, focusing on providing quality products, and treating others fairly and respectfully. This fair treatment has extended to the animals. Blackfoot relies on operating a thriving business. Its core message to employees and consumers is that the animals are the most productive when they are content and treated well. The Alexander family has made sure not to put profits before purpose and has instilled this value in the company’s employees and the community it has served for nearly 75 years. Mitch has continued to emphasize the same ethical values that his grandfather brought to the farm.

Because animal activist organizations continue to pressure the farming industry to treat animals humanely, Blackfoot Farms has communicated its standards of ethical treatment of its animals through marketing and community outreach. Beyond the financial importance of healthy animals, farm practices in the U.S. are highly scrutinized by the government and the general public who increasingly express their concerns about animal welfare issues. Blackfoot is well aware of this perception and takes painstaking measures to care for its animals. Despite the negative publicity that dairy farms have received nationally and internationally, the farm has been recognized regularly for its achievements in ethical animal treatment.

Despite these efforts to put the ethical treatment of animals at the forefront of Blackfoot’s mission, a series of events six months ago shook Blackfoot Farms and the surrounding communities in southeast Idaho to their core. Mitch believes it started nearly a year ago when an employee who worked for Blackfoot Farms for less than a year was terminated for insubordination. It was not a common practice at Blackfoot at that time to have an HR representative present during termination meetings. In fact, many times HR would be notified days after the termination took place when a supervisor was ready to hire a replacement. As the employee exited the facility, he threatened Blackfoot Farms, saying it would not be the last time the company heard from him. His supervisor recalled the employee saying, “I’m going to expose you for who you really are.” The employee’s comments were not taken seriously because of his work performance and brief tenure with the organization.
Shortly after that incident, a representative from the Humane Society of the United States took a job undercover at the dairy production facility. During the three weeks he was on site, he filmed three separate videos of employees mistreating cows. During one incident, the video captured an employee repeatedly kicking a cow and yelling at the animal to get up. Another employee was seen punching the side of a cow that was not cooperating while entering a milking parlor. Finally, another employee was filmed docking the tail of a cow. While this is a common practice because tails can interfere with the milking process, it should be performed only after administering pain medication to the cow. This did not occur on this occasion, and the video showed the cow in noticeable discomfort. The videos were released to the Idaho Department of Agriculture a few weeks later. The department then notified Blackfoot Farms. The three employees who were caught on film were terminated immediately, and animal cruelty charges were filed against them by Blackfoot Farms. They are awaiting trial.

Despite Blackfoot Farms’ swift response to the incidents, the damage was done. Many community members were shocked that this could happen given the farm’s reputation of treating its animals humanely. Consumers were used to seeing cartoon images of happy cows and chickens in farm advertisements, as well as seeing the farm’s mascot, Blackfoot Betsy, hugging their children at community functions. People began to question if animal mistreatment had been happening all along. As one public relations executive said to the local newspaper, “Despite its longstanding position in the community, this is a PR nightmare for Blackfoot Farms.”

For Mitch, it wasn’t just a public relations nightmare, it was a personal nightmare. His focus as the CEO was on restoring his farm’s image and minimizing the financial losses that would inevitably occur as a result of these incidents. But, true to his personal values, Mitch was deeply heartbroken that three of his own employees could perform such heinous acts on their animals. Mitch wanted to make sure something like this would never happen again in any of the company’s production facilities. He picked up the phone in his home office and called Sara.

Sara could tell by her father’s voice how much this affected him. To her, he seemed distant. This was mainly due to exhaustion—Mitch had worked with Lillian McGinity, Blackfoot’s director of marketing and community relations, around the clock for the last several days. Sara also knew how much the animals meant to her father. She worked closely with him during the termination of the three employees. Mitch had showed no emotion when he informed them of the videos and had them escorted from the premises. After a couple of minutes on the phone, during which there was more silence than dialogue, Sara told her father she would be right over.
At Mitch’s Home

Sara greeted her father with a hug as he ended yet another call with Lillian. Mitch, attempting to insert some levity, said to Sara, “I have never talked this much to Lillian in the 10 years she’s been with us.” Mitch’s stoicism crumbled and tears began to fill his eyes as he sat down with his daughter at the dining room table to discuss strategies that would hopefully prevent anything like this from happening again.

Sara said, “I’ll need to review our code of ethics. Something tells me it will need to be revised and communicated to all employees.” Hesitating for a moment, unsure of what to say, Mitch said, “I don’t think it exists.” Sara did not want to make her father feel worse, so she tried to hide her surprise. She waited for him to continue. “We have always had a set of unwritten rules when it came to ethics. Everyone knows how to behave when they work for Blackfoot Farms. At least that’s what I thought.” Sara simply replied, “OK. I will develop a draft code of ethics, and we can discuss it at our next management team meeting.”

Mitch nodded his head indicating approval but also reticence that a code of ethics would prevent similar issues from occurring in the future. He said, “I know creating a code of ethics is necessary, and it’s another step forward in formalizing our HR model, but I wonder how a document is going to prevent another employee abusing our animals.” Mitch was getting agitated, partly from the lack of sleep, but also because of stress this matter has caused: “What can we do to ensure we are hiring good people?”
UNDERGRADUATE QUESTIONS

What role should HR play when setting and maintaining ethical standards in an organization? Be specific.

It might be helpful to provide a framework for what ethical behavior means from a workplace perspective. Acting ethically in the work environment means that employees act in a manner that is consistent with the core values of the organization (Markkula Center for Applied Ethics, 2015). Many mistakenly view HR as the “owner” of workplace ethics. One could argue that HR serves as the “driver” of ethics in an organization (Gravett, 2013). Although this may be true, leaders must first build the road, and managers need to be in the front seat with HR along for the ride.

In this case, acting ethically, particularly toward animals, was an unwritten rule at Blackfoot Farms. However, it is difficult to manage based on unwritten rules. It is necessary to articulate the organization’s core values and code of ethics and communicate them to all employees through multiple channels. HR’s role in this process is that of a facilitator. HR can work with the senior team to develop a series of core values, but the process cannot be theirs alone. HR should also speak with employees, suppliers, customers and the community when helping develop core values and a code of ethics. External constituents have expectations on how businesses in their community should behave.

Once the expectations have been established through the development of core values and a code of ethics, HR should communicate these expectations to new and existing employees and to potential hires. In addition, the organization’s performance management system should align with employees’ adherence to the core values, and employees should be rewarded or disciplined accordingly. Finally, HR should consider having all employees sign off on the code of conduct each year acknowledging that they have read the document and understand its contents. Students should keep in mind that it may require additional work on HR’s part to ensure that immigrant workers understand what they are signing; the document may need to be translated to reflect the different languages spoken by employees.

Leadership should entrust HR to develop and implement policies and procedures that will guide employees to “do the right thing” by serving their organization in the most ethical manner. HR can be very influential in the process, but senior leaders must first set the standard that will help prevent similar instances from ever happening again at Blackfoot Farms.

It is important that Sara seek guidance beyond Blackfoot’s management team. This would include seeking counsel from the farm’s attorney and reaching out to other dairy farms and cooperative education programs in the dairy industry.
Would an HR representative’s presence during the termination meeting for insubordination have changed the outcome of the conversation and possibly prevented the subsequent events from occurring? Explain.

The answer to this question is “possibly.” It is always recommended that a third party be present during disciplinary meetings that result in termination of employment, with the third party being from the HR department. There are a number of business reasons this should occur. First, the organization could be more likely to face a discrimination claim if the termination occurs without HR at the meeting. Also, HR can provide policy clarification to both parties when necessary. The supervisor acts on behalf of the entire organization during a termination meeting. Ideally, the supervisor would want guidance from HR before the meeting. HR can review the case to determine if termination is the most appropriate option given past performance. In many cases, HR may advise not to terminate, but may recommend next steps that could include a performance improvement plan. Finally, an HR representative’s presence can help manage emotions by making sure both parties are heard and treated respectfully (Patterson et al, 2012).

In this particular case, we are unsure what transpired during the conversation. Did the supervisor intend to terminate before the meeting took place, or did the conversation escalate, resulting in the termination? Did the employee make mention of the incidents (or any ethical improprieties) during the conversation? If so, a skilled facilitator would have acknowledged the employee’s concerns and could have potentially drawn out more information in the process. Moving forward, it will be important for HR to offer training to supervisors on handling employee relations, including progressive discipline and termination policies.

It is unclear if having someone from HR in the meeting would have prevented the undercover employee from coming onto the premises and notifying the authorities. Regardless, it will be beneficial for Blackfoot Farms to have an HR representative present during performance meetings that could result in termination. This practice should be a standard at Blackfoot Farms because it reduces the risk to the organization and allows HR to be fully informed of all employee relations issues. Failing to do so can result in employee claims that could hold the organization liable for wrongful terminations.
Assume Sara’s role and develop five key components that would serve as a framework for a code of ethics that would be applicable to Blackfoot Farms.

A code of ethics is a set of principles that connect to the organization’s values and mission (Spiro, 2014). Each code of ethics will be different and should be based on specific industry and culture. As a reference, the Dairy Farmers of America has its own code of conduct which can be found at http://www.dfamilk.com/code-conduct-0. Below are five components that are commonly present in a code of ethics. Students will most likely identify others as well.

- **Letter from the CEO:** A passionate letter from the chief executive is very important to introduce a code of ethics. This should not be too difficult for Mitch Alexander to write because he was very distraught over what happened on his farm. Of course, a letter is only one form of communication and not as clear as a code. When the code is implemented, Mitch should meet with all employees to share his support, answer questions and articulate the responsibility of each and every employee.

- **Values:** A code of ethics is an ideal location to identify an organization’s core values. The values Blackfoot Farms defines should reflect the interests of all stakeholders, including employees, customers, suppliers, animals, the local community and the environment.

- **Examples:** A set of examples that are applicable to the industry and the organization could either be in a separate section of the code of ethics or embedded in the values section.

- **Boundaries:** Somewhat similar to the “examples” section, this section would outline specific behaviors that employees must not commit. An example could be that Blackfoot Farms will not conduct business with suppliers that have a proven track record of unethical business practices.

- **Personal Responsibility:** The CEO letter will address this issue, but it is necessary to be more specific in this section. For example, one of the values could be “behaving ethically.” A statement could affirm that all employees must conduct themselves in the most ethical manner as representatives of Blackfoot Farms. The code of ethics should also be very direct in outlining the potential repercussions if an employee violates the ethical behaviors expected from the organization.

In addition to the information above, SHRM (2014) has a sample code of ethics, which can be found at https://www.shrm.org/resourcesandtools/tools-and-samples/policies/pages/cms_014093.aspx.
GRADUATE QUESTIONS

After reviewing the scenario, describe the challenges HR faces in creating an ethical workplace.

The obvious challenge facing HR is developing a clear and concise strategy in partnership with senior leadership on what constitutes appropriate workplace behavior after the series of incidents with animal mistreatment. According to the case, Blackfoot Farms hadn’t had any previous incidents of animal mistreatment because it was the expectation of the Alexander family throughout the history of Blackfoot Farms to treat its animals humanely. This “unwritten standard” of passing the message on year after year may have been effective enough to manage behavior. This is usually the standard in small organizations. Blackfoot Farms, however, has grown considerably over the past several years, and this unwritten standard may no longer work for it. Also, HR cannot create an ethical workplace based on this “unwritten rule.”

Given Mitch’s reaction, we certainly know that senior leadership fully supports creating a more formalized structure to ensure the ethical behavior of all employees.

HR should not be the sole owner of creating an ethical workplace. This is going to require that senior leaders prioritize it as a key initiative for the organization. Employees also play a significant role in this process and should have input on the future state of Blackfoot Farms in terms of its ethical standards. The incidents that occurred were most likely traumatic for other employees who, like Mitch, respect the cows for what they provide to the organization and their own way of life. Therefore, employees should be given the opportunity to discuss what should be expected from all employees regardless of where they work in the organization.

Although the focus of this case is on animal mistreatment, ethical behavior extends to other areas, including how employees treat each other, visitors, customers and the environment that provides so much for their livelihood.

Based on the expectations from all stakeholders, including management, employees, suppliers, customers and the community as a whole, Blackfoot Farms should draft a code of ethics that will serve as the foundation for the company’s ethical standards. The code should be communicated regularly to all employees, and a hard copy should be signed by employees. Given the number of non-English-speaking employees, the code should be translated into multiple languages.

Based on the incidents that occurred and their public nature, Blackfoot may consider hiring a director of compliance and ethics whose first duty should
be to form an ethics council with representation from various departments in the organization. This could also include a second tier and larger version of the ethics council that meets less frequently, but also includes community members or other external parties.

Draft a code of ethics that would be appropriate for Blackfoot Farms, particularly given the recent incidents. Strategize how HR should implement the code throughout the organization.

Below is a sample draft policy that was revised for the purposes of this case (SHRM, 2014).

Blackfoot Farms conducts its business fairly, impartially, in an ethical and proper manner, and in compliance with all laws and regulations.

Blackfoot Farms is committed to conducting business with integrity underlying all relationships, including those with customers, communities, suppliers, employees and animals. The highest standards of ethical business conduct are required of Blackfoot Farms’ employees in performance of their responsibilities. Employees will not engage in conduct or activity that may raise questions as to the company’s honesty, impartiality or reputation, or otherwise cause embarrassment to the company. Employees will avoid any action, whether or not specifically prohibited in the personnel policies that might result in or reasonably be expected to create an appearance of:

- Using their position at Blackfoot Farms for private gain.
- Giving preferential treatment to any person or entity.
- Losing impartiality.
- Adversely affecting the confidence of the local community.
- Inflicting harm to others.

Every employee has the responsibility to ask questions, seek guidance, report suspected violations and express concerns regarding compliance with this policy. Blackfoot Farms will maintain a program to communicate to employees its commitment to integrity and uncompromising values. The program will inform employees of policies and procedures regarding ethical business conduct and assist them in resolving questions and reporting suspected violations. Retaliation against employees who use these reporting mechanisms to raise genuine concerns will not be tolerated.

The human resource department is responsible for providing policy guidance and issuing procedures to assist employees in complying with Blackfoot Farms’ expectations of ethical business conduct and uncompromising values. Current employees are to receive training within six months of the distribution of this policy. All new employees must attend an ethics training program within the first three months of their hire date. This
policy constitutes the standards of ethical business conduct required of all employees. Managers are responsible for supporting implementation of these standards and monitoring compliance.

Employees who witness unethical behaviors are encouraged to speak with their immediate supervisor. Alternatively, they may contact our third-party vendor anonymously. Please see the employee handbook for more information.

In addition to implementing a code of ethics, what other programs or policies can HR implement to promote ethical behavior among all employees? What can HR measure to determine if the implemented practices have been successful?

It is important to again note that HR can develop a number of programs and policies, but these policies will be of little value if HR’s efforts are not supported by the leadership team at Blackfoot Farms. That said, HR can promote ethical behavior from the time an employee applies for a position and throughout his or her time with the organization. Below are a number of HR activities that can integrate workplace ethics. No one area is more important that the other. What is important is for HR to develop a comprehensive approach that creates a theme across all of its programs and services.

- **Recruiting and selection:** HR can ask questions to uncover the core values of job candidates to see if they align with those of the organization. Reference checks and background checks can also provide useful information.

- **Onboarding:** Once employees are hired, HR can communicate the expectation of behaving in an ethical manner from the start. This can be done in a number of ways, from the chief executive speaking to employees to watching a video about the organization’s values and how ethics fits into the overall culture.

- **Job descriptions:** Organizations that value ethics to the highest extent incorporate ethical behavior as an essential function of the job regardless of the position in the organization. This starts with the chief executive and continues through all employee levels.

- **Performance management:** The expectation to act ethically should not begin and end with its inclusion in a job description. Employees should also be evaluated regularly on how their actions emulate what is expected of them. In many instances a category such as “ethical behavior” or something similar is included in employees’ performance appraisals. These ethical standards are used to rate employees based on their past performance. Including ethics in job descriptions and performance appraisals makes its importance clear to all employees.
• **Employee training:** Whether geared at new or long-tenured employees, regular training programs that reinforce ethical expectations are vital to the organization’s success. Specific training can be offered for managers and nonmanagement employees, but both employee groups can benefit from having “all hands” meetings. Training could include diversity, anti-harassment and discrimination, and anti-bullying. Employees should be active participants in training, not just passive learners.

• **Whistleblower policy:** A whistleblower policy protects employees, giving them confidentiality and protection against retaliation. The policy should ensure a clear understanding of where employees can report misconduct that they believe has occurred (SHRM, 2016).

• **Health and wellness:** Employees should feel safe to report any ethical wrongdoing that occurs, but there should be alternative approaches in place if employees do not feel comfortable coming forward. This could include employee assistance program (EAP) services in which employees could have a confidential conversation with a trained psychologist to support them during difficult times.
References


