

# Adapting Ethics and Compliance Programs for Modern Management Tools

Valeriu Deciu

Alexandru Ioan Cuza University, Iasi, Romania

Email: deciuvaleriu@gmail.com

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## Abstract

Six Sigma is one of the modern management tools in use today. Corporates utilize it in designing and improving their systems in a bid to reduce costs, improve quality, lower defects, and other advantages. The methodology is built on specific steps that knowledgeable teams in order to deliver quality outcomes. On the other hand, corporates cultivate ethics so that they can foster healthy relationships, improve brand image, maintain trust and others. Unethical behaviors usually result in the tarnishing of reputation and should be met with severe punishment. Business ethics can be integrated into Six Sigma to catapult the tool's effectiveness. By incorporating ethics in every Six Sigma stage, companies are set to benefit from genuine results and quality goods.

## Keywords

Six Sigma, Ethics, Corporations, Quality, Unethical Behavior

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## 1. Introduction

Corporations employ business ethics to define how they relate internally and externally. Ethics set standards on what should be done or not on different aspects such as integrity, honesty, trust, and fairness. Above all, ethics guide corporate practices where controversial subjects such as corporate social responsibility, bribery, insider trading, and discrimination. Ethics help streamline the firm's activities and to address such issues that can instigate a reputation dent in the company. They reinforce organizational behaviors and expectations that employees must exhibit to avoid allegations, scandals, risks, and misconduct. Any company that is willing to enjoy sustainability must address its corporate ethics to build long-term relationships among workers and between shareholders and

business partners. This analysis focuses on how ethics can be adapted to modern management tools and specifically on Six Sigma. It aims to answer how ethics and compliance programs can be adapted to Six Sigma.

## 2. Six Sigma

Six Sigma is a tool or approach used to increase performance within an organization (Shafer & Moeller, 2002). There always seem to be so many ways to estimate and so many variables to watch after. However, one of the most common techniques used by most corporations is Six Sigma. The Six Sigma learning institution of thinking is all about seeing the right focus and hardening up the aim and vision processes. This protects resources, time, energy, and a large chunk of finance. Different companies such as Motorola General Electric, Johnson and Johnson, and Allied signal have experienced cost savings and time reduction when utilizing this tool (Kwaka & Anbari, 2004). The main principles can improve, and direct process increases organizational tasks. The changing nature of the similar learning institution of business process increment, there are arguments over the real principles. For this reason, there are necessary competing principles. It is alright to begin talking about Six Sigma principles, trying to imagine as the owner of industry and on an assembly line. In this case, the general manager wastes not only his time but also his finance and expenditures. Both cases are the reason for causing changes. The necessary equipment for Six Sigma is that it causes a change in the perspective.

Its main purpose is the execution of a measurement-based method that targets the process intensification and inconsistency decreased by the application of its development projects like DMAIC and DMADV. The DMAIC (define, measure, analyze, improve, control) is a development system for current operations that occupy unwanted stipulations with gradual advancement (Kwaka & Anbari, 2004). Its stages contain complete plans to lead administrators through the implementation of the preferred quality development plan. Additionally, its determined stage ensures that difficulty or chosen process is related to directorial supremacies and has leadership support. However, the chosen project needs to produce important development in excellence and consumer gratification and in essence and in economics. Therefore, it is necessary to recognize the essential elements that require to be evaluated, examined, and managed to realize the expected outcomes. Hence, Lean Six Sigma is used to enhance the generation of goods and services, associated processes, and it highlights the use of DMAIC.

DMADV (define, measure, analyze, design, verify) is a development system used to improve new operations or production that are Six Sigma excellence levels and if an ongoing process entails more gradual development action (Ramphal & Nicolaidis, 2018). In addition, Six Sigma operations are produced by Green Belts and Black Belts supervised by Six Sigma Master Black Belts specialists who have a superior level of approval. They are expected to describe beliefs and bases using different systems and tools attesting to management and

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cohesiveness. Furthermore, a licensed Green Belt is a Six Sigma associate who examines and clarifies standard difficulties, while a licensed Yellow Belt has the practical capacity in the project. Finally, lower licensed Green and Yellow Belt associates qualified by Black belts are needed to uphold morals. Hence, to acquire approval, they need to reveal an impartial understanding of analytical development instruments and devoted software, use, and combine specialists with the license to reap gains from Lean Six Sigma.

### 3. Business Ethics

In the workplace, decisions are made day-by-day. These decisions usually exhibit ethical aspects that will either make or break the business. Sometimes, people are tempted to do what is wrong and ultimately violate the set rules, either willingly or unwillingly. As such, many organizations usually establish a code of conduct to help individuals make better decisions even when it is tempting and probably punish those who engage in unethical behaviors (Schminke et al., 2014). Organizations are aware that, at times, workers will tend to “lie” and engage in unethical behaviors and try to justify their actions’ desire. However, wrong is wrong, whether justified or not.

Organizations are required to design ethical infrastructures. These include drafting the responsible behaviors that employees should follow and the unethical acts they should shun (De Cremer & Moore, 2020). The system should encourage ethical behaviors while it discourages unethical ones. They include establishing policies and processes, sanctioning systems, and rewarding tools that move along with the set behaviors. Additionally, the organization should explore ways in which it will continuously encourage ethical behaviors.

Gaining ethics and compliance are critical aspects of any business. Corporates establish ethics that help gain trust from stakeholders and respect from workers. By promoting integrity in business operations, a business is able to maintain healthy relationships with shareholders, customers, workers, and the community (Klopotan, Aleksić, & Vinković, 2020). Ethics and morals are emphasized because they boost corporate image and professionalism. Customers trust the company’s products and services. Business partners will trust business deals signed by the firm. Shareholders are sure that the company’s operations will register a long-term effect. With all these benefits, ethics become critical, and their essence cannot be underestimated.

### 4. Ethical Integration to Six Sigma

It is considerable for Six Sigma certification holders to have ethical behaviors such as honesty and impartiality while serving the community, employers, and customers. They must also try their best to increase the capability and reputation of six Sigma and utilize their knowledge and skill to improve human welfare (Ramphal & Nicolaidis, 2018). They are also supposed to engage in providing opportunities for the proficient and ethical growth of others. Six Sigma is a

quantifiable technique that can drive enhanced efficiency in any hospitality institute, making guests and clients more satisfied. An example of these institutes is a hotel that is recommended to increase their services ethically and responsibly to adopt a positive ethical environment in their operations where six Sigma would help in this concern (Ntimane & Tichaawa, 2017). But the operations of hotels are impacted by ethical standards, which differ from the country of operation. Applying Six Sigma would make available the favorite reliability in service quality and positively influence ethics.

Citing the example of hotels, employees are required to have a stable commitment and offer the best quality services to the clients as stated in the code of Six Sigma. Whatsoever issue may arise, it must be dealt with to indicate self-confidence, the highest level of integrity, proficiency, and reliability. All individuals in the hotel, be it clients, chefs, employees, and guests, should be treated in a manner of transparency and fairness (Ramphal & Nicolaidis, 2018). Employees should be filled with the thirst for doing what is right every time, and ethical practice must be part of them. When successful solutions are made, the standard deviation can be measured where if noted less erraticism, it indicates that customers will be happy. It is believed that some hotels apply Six Sigma as a method of transforming business due to its allowance of making organization-wide process enhancements. Service-focused organizations have decreased waste in their internal practices and enhanced their relations metrics using basic concepts in Six Sigma. It is also important to have a strong sense of assurance towards guests regardless of race, religion, creed, etc. Quality services and satisfaction of customers are the objectives for every hotel manager assisted by Six Sigma.

In the US, Starwood Hotels considers that Six Sigma empowers companions to advance innovative customer-focused solutions. They also apply the recognized innovations to all their organization to enhance guests' quality and reliability of experiences. It might also be considered as an ethical workplace where employees are transformed to have ethical qualities (Ramphal & Nicolaidis, 2018). His is because employees receive training in problem-solving skills and imaginative thinking to manifest. This has paid off because Starwood Hotels is the most profitable hotel operator globally and has been better than their competitors, Hilton and Marriot.

#### **4.1. Six Sigma in Operations**

The main goal of developing the Six Sigma approach method is to achieve consumer satisfaction by manufacturing products of less difference (Ikumapayi et al., 2020). This is very important in manufacturing because when a certain product does not reach the consumers' prerequisites, they are wiped out and taken back for re-manufacturing. Products sold are only those that meet requirements and are not faulty. A study discloses that when a consumer experiences negative effects of unsound products or is offered poor services, they are

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likely to incite other consumers to reject that service or product.

#### 4.2. Design for Six Sigma

According to what numerous institutions and associations conclude, design for Six Sigma is the procedure used to design products, whereas it is not. A technique of upgrading subsisting products and services in an approach that permits for exceptional management of expedients is what design for Six Sigma is (Mitchell & Kovach, 2016). The process extracts a considerable tally of its procedures from the thriving means and tactics used in the six-sigma strategy (Fahmi et al., 2021). The method that is the design for Six Sigma has been applied and used in several industries, such as process industries, marketing, and electronics. The plan for the six-sigma method is also applied by assembling associations for them to plan brands, activities and services which are protected and honest.

Similar to the Six Sigma approach, the design for the six Sigma (DFSS) process is directed towards yielding the topmost caliber operations and commodities with the slightest number of flaws (Ikumapayi et al., 2020). Optimization of time to market, cost, and attribute of (NPD) new product development is enhanced by DFFS. New product development activities usually have numerous distinguished stages of betterment.

#### 4.3. The Impact of Implementation of Six Sigma

The company undergoes a significant loss from the destroyed goods during the production process. To prevent such damages, one is required to make some improvements and quality regulations. Six Sigma is a technique employed to bring the company to a faulty goods point to attain the set specifications (Fahmi et al., 2021). The additional defective products obtained during production increase the production cost. As a result, a rise in the cost of production, leading to an increase in selling price, is observed. The companies producing the same products and with good standards will result in defective products being less competitive. Six Sigma is a controlling tool employed to bring modification to the general Quality Management, which aims to get rid of the production faults, lower production duration, and remove costs. It is also known as a comprehensive structure that shows strategies, disciplines, and equipment that assists the enterprise's accomplishment.

The accomplishment of enhancing the enterprises' quality and capability depends on conducting to point and answer issues. The performance state is very crucial for Six Sigma for new management equipment employed to modify general quality. Sigma aims to lower the spending difference, so it does not pass the Six Sigma between the mean and the closest complete borderline. The inaccuracy that is brought by the Sigma process should be at the minimum of 3.4 per million chances (99.99666% accomplishment rate) (Fahmi et al., 2021). The Six Sigma execution aims at the process, either production process or services. If it

becomes fortunate, Six Sigma can check and consider if the overall production process is going at the best capacity.

The companies that compete and sustain their enterprises should have a program concerning the quality since the better-quality programs enable the company to lower the faulty goods produced. Thus, the quality check activities are connected to the standards put down by the company and prevent faulty crossing goods into the clients. To sustain its product quality practices, in-depth and ongoing control and supervision from the start to the end of the final product energy is applied to control quality by employing Six Sigma, which big companies mainly use. The issue is the size of the effect of the use of Six Sigma on creative capacity, job productivity, and services quality of workers to clients. Various studies have been carried out to portray the impact of the use of Six Sigma on job productivity, service quality, and implications for creative capacity. In contrast, no study found out the effects of Six Sigma as a one-study model (Fahmi et al., 2021). Thus, the research gap is crucial for it to be studied in-depth, complete knowledge is acquired and affects creating policy from the head of tire industries.

So far, Six Sigma has been identified as a tool that is employed to seek continual improvement in business processes. The DMAIC and DMADV processes set the company apart because these methodologies are based on statistical improvement metrics. Applying Six Sigma saved General Electric \$2 billion in 1999 (Kwaka & Anbari, 2004). Similarly, Motorola reduced defect levels by 150 times, not forgetting that it is the one that developed the tool. Allied signal improved on-time delivery by 50%. These are a few examples of how this tool can aid in maximizing profits and mitigating losses.

## **5. Implementing Six Sigma with Ethics Included**

As firms benefit from the Six Sigma tool, they need to incorporate ethics. Below is how they may achieve the same process, considering that ethics are integral to business operations and the Six Sigma tool improves operations.

### **5.1. Identify the Area of Focus**

A business should first stop the area with bottleneck and understand the pain point. For example, a business might be suffering from quality issues or low customer satisfaction. Specifying the pain point gives the workers morale to put effort. The best way to achieve this is to engage the individual who experiences the pain. Customers should be included in the analysis and design process so that solutions to their challenges are incorporated into the new product design (Ikumapayi et al., 2020).

### **5.2. Allocate Resources**

The company must know which resources are required to address the quality issue specified. This will include materials, technology, talent, and others that will

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rectify the problem. A team must be formed to address the issue and should constitute the right people to do the job. When defects are eliminated, quality improves, and customers become more satisfied. The team will own the process and will be answerable to the top management. As such, they remain committed and accountable all through. Team members should be assigned roles that they are comfortable with and competent to deliver quality results.

### **5.3. Apply the Methodology**

After the team identifies the objectives to achieve, the proper methodology is selected, such as Six Sigma. The DMAIC and DMADV process is applied to define the problem, measure it, analyze it, and seek improvement ways. Now that the problem has been defined, the primary focus is measuring, analyzing, improving, and controlling it. How will the defect be reduced? The team ensures that the engineered process or system is mastered to identify how the defects can be reduced. The focus is “what led to these defects?” “How can the system be improved to avoid the occurrence of these defects?” The team is more of rectifying the process/system to avoid further defects.

The advantage of Six Sigma is that it helps to genuinely improve systems rather than conducting fake fixes that tend to lure customers into believing everything is well. Six Sigma focuses on a sustainable solution rather than a short-term objective. This is where the tool aligns with ethics. Ethics are geared towards honoring integrity and trust rather than taking a shortcut to achieve short-term targets. In case the team is not aware of Six Sigma, training is required to increase awareness and shape everyone into the organizational vision.

### **5.4. Finding the Right Measurement**

The developers of Six Sigma had known that it is hard to manage what cannot be measured. A measurement system must be created and data that will be used for analysis selected. The key concept, in this case, is to improve quality by reducing defects. To dissect this, the organization must be aware of the estimated number of products that have defects. What is the estimated percentage of the total products that have defects? For instance, if the products with defects are 40 in 100 items, the defect rate is 40%. The target goal must be set, for example, reducing defects by 80%. That is 80% of the 40% that has defects. It means that 32% (80% of 40%) will not have defects. Therefore, defects will reduce from the current 40% to only 8%. This will become the performance measure that the team will assess at the end. The set objectives should be achievable and realistic rather than enticing the management with unrealistically designed goals. In this stage, ethical values of honesty are also critical so that a better is planned and realized.

### **5.5. Implement Program Controls**

With the measurement conducted, the team had managed to perform the DMAI

and remains with C. The team has analyzed the problem/system and identified what results in a high defect rate. The improvement (Shafer & Moeller, 2002) step was focused on engineering the process to solve the functions that led to those defects. With that, the team should then assess the program to ensure that the rectified processes run as intended. Similarly, it must check the defect rate and confirm that it has reduced to the achievable levels.

In this step, the team must apply ethics to remain at the core. At times, teams may perform shoddy work and give false results so that they can immediately receive payments and perks. While it is hard to control this as the top management, the executive can enforce the process by personally realizing the set objectives before making any or all payments. The results should coincide with customer requirements presented in the first stage (Mitchell & Kovach, 2016). Payments should be made solely on a performance basis. Six Sigma has been made to genuinely result in factual results. However, to eradicate rogue workers, monitoring and evaluating changes can be made. This enforcement can be added to the ethics policy just like other ethical behaviors. When Six Sigma methodology is used to improve business systems and operations, the ensure process must be monitored and assessed until it is within the satisfactory levels for the team to get rewards.

## 6. Conclusion

Businesses can benefit from ethics if they implement systems that monitor workers' behaviors. Ethics cannot be ignored because they help build businesses and promote sustainability. Under Six Sigma, businesses design systems and improve processes while still enjoying the incorporation of ethics. Each step of the Six Sigma can be integrated with ethics to result in genuine and honest results. Different businesses have integrated ethics in this methodology; among them is Starwood Hotels. Incorporating ethics means being honest to oneself when taking measurements, setting goals, improving processes, and measuring results. Teams can also build trust from the top management if they can deliver results that will not fail them. On the other hand, top-level managers can monitor the Six Sigma process and result to ensure that the anticipated goals are achieved.

## Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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