

**Reinventing the Corporate Ethics Officer:  
A Strategy for Superior Governance and Integrity**  
W. Michael Hoffman  
(Executive Director, Center for Business Ethics, Bentley College)

Most major corporations in the United States now have a chief ethics officer (EO), sometimes called a compliance officer. This person has the responsibility for providing the strategic and operational leadership to the company's ethics, compliance and business conduct efforts. In short, the EO's primary mission is to strengthen and maintain the organization's ethical culture and reputational integrity. It is my contention that, presently, the ethics officer position (and its essential responsibility and mission) is not functioning properly, nor will it until it ceases to be part of management and becomes a function of the board of directors. I shall identify three major problems with the way in which the EO role is presently structured: (1) there is an inherent conflict of interest in EOs overseeing the management which has essential control over them; (2) in most cases, EOs do not have the power or authority necessary to carry out their primary mission; and (3) EOs do not have a proper relationship to the board, which inhibits or negates effective collaboration, thereby hampering not only the ethics and compliance program but the governance process as a whole. If EOs were agents of the board, as I am proposing, the board would be better informed and would have ready access to improved resources, tools, advice and support to perform its governance responsibilities, especially with regard to ethical oversight. I shall also be addressing some important precedents for my position, and some possible criticisms which will be shown to be unconvincing.