

INSIDER PEO

PEO Outlook

Do you think it is appropriate for a non-profit educational association, such as NAPEO, to require members to sign an ethical code?

Jay Keegan

President and CEO
Adams Keegan, Inc.
Memphis, Tennessee

In a word, yes. NAPEO's mission is to support and promote the activities of its membership among diverse parties, including regulatory entities and the public. Paramount to the success of many of NAPEO's initiatives is the credibility it maintains among state and federal regulators as they consider pivotal requests for favorable legislation and licensure requirements. The sensitive nature of work PEOs perform for their clients gives pause to regulatory officials whose duty is to protect the public from fraud and malfeasance. Having members adhere to an ethical code amenable to both the public and relevant regulatory entities would enhance NAPEO's effectiveness at promoting its membership's long-term interests.

Ethical codes, whether expressed or implied, are the foundation for every relationship between two parties. Individuals, or a

society for that matter, cannot effectively function unless basic rules governing all decisions are understood and respected by all. Simply put, given a mutually understood situation, you need to know how I will be compelled to act. Unfortunately, a few in our industry have over the years behaved in a fashion that has undermined much of the implied ethical code to which the rest of us adhere. Our affirmative steps to communicate our collective beliefs and request a commitment to live by them helps to draw a line between whom NAPEO represents and whom it doesn't.

Responsibility for tens of thousands of businesses' payroll, taxes, workers' compensation, health benefits, and other employer and employee matters is very serious business. A rock-solid ethical foundation upon which NAPEO's membership must operate undoubtedly helps our industry's official image and may lead many PEOs to enact business practices designed to improve their own compliance.

NAPEO requiring members to sign an ethical code would directly help the PEO industry and its membership by enriching our credibility among those who decide our fate. I believe NAPEO should be prepared to install some form of membership governance to review member activities and potentially discipline members for behavior inconsistent with its ethical code. ■

PEO

Outlook