ETHICS and your organization’s DNA

How to translate ethical principles into practical codes of behaviour

Anna Kasafi Perkins
Ever notice that dogs don’t give birth to kittens?

(Despite…Roxie the dachshund and her litter)
Dogs give birth to puppies...

Cats give birth to kittens... and the same happens with every kind living creature...
Why?

• DNA (deoxyribonucleic acid) which contains the biological instructions that make each species unique. DNA, along with the instructions it contains, is passed from adult organisms to their offspring during reproduction…Tells the organism what to become--a cat or dog…
Ethics and DNA

• DNA tells organism what to become
• Similarly, an organization reproduces itself in its employees
• Ethical culture tells employee what to become and do…
• Difference: We can choose the kind of organization we are and become…
Fostering an Ethical Culture

• Ethical corporate culture fosters ethical practice
• How to foster an ethical culture?
• Must introduce structural components that enhance ethical sensitivity
Three Approaches

• Three approaches:
  • Corporate credos that define and give direction to corporate values
  • Ethics training programmes that focus on ethical issues
  • Ethical codes that provide specific guidance
Translating ethical principles

• At the heart of these approaches is the translation of ethical principles into practical codes of behaviour....

• Tailored code of ethics encompasses the other approaches
Code of Ethics or Credo?

• Code of ethics or conduct should not be confused with statements of values (Credos).
• Rather than stating broad values held by the organization, written codes of ethics should be a series of clear, specific, positive and direct statements from the top leadership of the organisation.
• **Our Credo**

• We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

• We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical…
Ethics Programmes

• Provide more specific directions for dealing with potential ethical problems than general credos/statements of values
Tailored Code of Ethics

- 90% Fortune 500 have Codes
- Increasingly Jamaican companies have been moving in that direction
- Valuable tool for transmitting the values and standards of the organization
The articulation and communication of ethical expectations (rules and standards) through written codes and standards is a must in the institutionalizing of ethics process (that is, building, sustaining, or transforming an unethical organization into an ethical one) (Simms 1994).
Why have a Code of Ethics?

- To define accepted/acceptable behaviour
- To promote high standards of practice
- To provide a benchmark for members to use for self evaluation
- To establish a framework for professional behaviour and responsibilities
- As a vehicle for occupational identity

(www.ethicsweb.ca/codes/coe2.htm)
10 Considerations in Writing a Code of Ethics (CoE)

- Most major corporations have a CoE along with a range of other issues-specific ethics document
- CoE embodies ethical commitments: what company stands for and what can be expected in conducting business with you
- Based on the available literature:
  - Content of the CoE and process of writing can vary a lot, but standard issues to consider includes…
  - GraceKennedy Co Ltd and Gleaner, key examples, special thanks
1. Tailor-make

• Ideally, custom made.
• Questions to ask:
  – What makes your Code specific to your organization? Logo? Content?
  – What is the purpose of the new code: to inspire? To change behaviour? To clarify?
• Different documents for different things (Policy statement, mission statement, statement of values…) – overlap
• Content: acceptance of gifts, treatment of sources, political contributions, conflict of interest, etc
2. Involve Employees

- People guided by code should be involved – buy-in, more meaningful if employees are part of the process
- Top management guide the process (Message from CEO)
- Who will be involved? Small working group? Representative of various levels and function.
- Process affects product…
GKCo Code of Ethics and Guidelines for Business Conduct

Message from Chairman & CEO

1. Introduction
2. Basic Principles
3. Honesty and Fair Dealing
4. Conflicts of Interest
5. Confidentiality
6. Insider Trading and Tipping Off
7. Money Laundering Laws
8. Compliance with Laws and Code of Ethics
9. Safeguarding Company Assets
10. Fair and Equitable Treatment
11. Conclusion
3. Consult Key Stakeholders

- Good idea to consult key stakeholders—what would they like to see in your CoE
- Reveals what external constituents see as your key obligations
- Ensures that your CoE deals with the full range of issues that might confront your organization
4. Outsource cautiously

- Consultant helpful and useful
- Brings a range of knowledge and experience
- Don’t let him/her take over
- End of the day the CoE is yours and should reflect your organization’s values, principles, and aspirations
5. Seek good examples

- Begin by looking at relevant examples
- No need to reinvent the wheel
- Decide on the principles and values. List them in rough order of importance...
- Design the sections/components:
  a) an aspirational section, often in the preamble which outlines what the organization aspires to, or the ideals it hopes to live up to;
  b) list of rules or principles, which members of the organization must adhere to.
6. Be clear about scope

• Who in the organization is governed by the CoE? (editorial staff, freelancers)
• “Lower-level” employees won’t take seriously a document senior managers aren’t bound by or take lightly.
• Clearly indicate expectations of both management and employees
7. Be specific about Implementation

• Once written, will it gather dust or influence policy and practice?
• What procedures are in place to ensure implementation?
• How will it be publicised, both inside and outside the organization?
8. Plan for education

- Employee education and training key part of implementation
- CoE effective only if employees know about it
- How will education take place?
  - New employees?
  - Refresher courses?
9. Be clear about enforcement

- How will the CoE be enforced?
- Specific penalties?
- Who decides when a violation has taken place?
- Principled organizational dissent
- Feedback
10. Specify Review and Update

- When will CoE be reviewed and updated?
- Times change, new issues emerge...
- Process for update
Much overlooked…

• Look and layout
• Language…
Code sufficient?

• Note: no code of ethics can solve all ethical issues…

• “But we must remember that good laws, if they are not obeyed, do not constitute good government. Hence there are two parts of good government: one is the actual obedience of citizens to the laws, the other part is the goodness of the laws which they obey” (Aristotle, Politics 1294a 3-6).
Code of Ethics, like DNA, acts like a bridge....
Questions?

2008 Business Convention | May 8 - 11 | Sunset Jamaica Grande Resort - Ocho Rios
THANK YOU!