Considerations For Writing A Code Of Ethics

By Chris MacDonald (originally published in Gene Marks, ed., *Streetwise Small Business Book of Lists*, Adams Media 2006)

Most major corporations, and many smaller companies, now have Codes of Ethics, along with a range of other, issue-specific ethics documents. Such a document embodies the ethical commitments of your organization; it tells the world who you are, what you stand for, and what to expect when conducting business with you. The content of a Code, and the process for writing it, can vary quite a lot, but here are some of the standard issues to consider.

1. Tailor-make your code.

Ideally, a Code of Ethics should be custom-made for your organization. Ask yourself, what makes your Code specific to your organization? Is there anything that differentiates it from similar documents devised other firms in your field, or in other fields? If not, what makes it your Code, other than the fact that your logo is at the top?

2. Get employees involved.

The people who will be guided by the code should be actively involved in writing it. If your organization is too large to get everyone involved, consider selecting representatives from various departments or various business units. The document is bound to be more meaningful, and find higher levels of acceptance, if employees are part of the process.

3. Consult key stakeholders.

It's a good idea to consult key stakeholders – including, for example, customers, suppliers, and local community groups – as to what they think should be in your Code. This will help reveal what important external constituencies see as your key obligations, and will help make sure that the Code you write deals with the full range of issues that might confront your organization.

4. Outsource the job only carefully.

Hiring a consultant to help write your code can be useful – but don't let them take over. A consultant can bring a wealth of knowledge and experience, and can help you avoid a whole range of pitfalls, from lack of clarity through to the inclusion of too little – or too much – detail. But at the end of the day, this Code is still yours: it should reflect your organization's values, principles, and aspirations.

5. Seek out good examples.

If you're writing your own code, begin by looking at relevant examples. There are lots of good Codes out there (a quick internet search can be very revealing.) A code that is simply copied from another organization is unlikely to provide either effective guidance or inspiration – but there's also no point in reinventing the wheel.

6. Be clear about Scope.

Your Code should make clear who within your organization will be governed by it. Does it cover everyone from the mailroom through to the boardroom? Only senior managers? Who has to sign off on it? Keep in mind that lower-level employees may not take very seriously a document that senior managers either aren't bound by, or take lightly.

7. Be specific about implementation.

How will the Code be implemented? Once it's written, will it gather dust, or will it influence policy and practice? What procedures are in place to make sure that writing a Code is more than just organizational navel-gazing? An effective implementation scheme (perhaps as an appendix to the Code) will explain to all concerned how the values embodied in your Code will be put into practice.

8. Plan for education.

A key aspect of implementation has to be employee training and education. How will employees be educated about the Code? A Code can only be effective if your employees know about it. Will new employees receive training regarding the Code's requirements? Will current employees receive refresher courses? Especially for large organizations, the steps required to train employees on the requirements of a Code deserve special attention.

9. Be clear about enforcement.

How, if at all, will the Code be enforced? Are there specific penalties for violating the Code, or is the Code merely there to provide guidance? Who will decide when an employee has violated the Code – will that be up to the employees' immediate supervisor, or will that be the exclusive domain of senior managers?

10. Specify a sunset date.

When will the code be reviewed and updated? Times change, and new issues come to light, so consider specifying a date for revising and refreshing your Code.

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