?7 Tips for an Effective Ethics Function

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How to support employees in living up to the organisation's ethical values in their day-to-day business activity remains the key challenge for business. An ethics function holds a vital role in making sure that ethics is part of all business operations and that the core values are embedded and reflected in the organisation's culture.

A new IBE Briefing published today provides insight into the governance of the ethics function and gives examples of common practices which organisations have adopted to ensure the effectiveness of the function. It is a distillation of IBE research, experience and our conversations with our network of subscribers.

The culture of an organisation is shaped by its values and their reflection in employees' behaviour. Every employee has an individual responsibility for promoting high ethical standards, done so through living up to the organisation's values. The UK Corporate Governance Code asserts a crucial role for Board of Directors: that they set the tone and actively assure themselves that the organisation's values are embedded effectively.

The presence of a dedicated ethics function or department serves to support these responsibilities, ensuring their practical impact. Where gaps are identified, a dedicated team already exists to assist in overcoming such lapses.

An effectively managed ethics function provides a coherent structure, capable of productive implementation and coordination of all the elements of the ethics programme across the organisation. The key elements include: the content of the code of ethics and related policies, the provision of training on ethical matters, and the monitoring of reporting systems, including the oversight of investigative procedures.

There is no one-size-fits-all approach to business ethics. Each organisation should identify procedures that are most suited to its culture, needs and resources.

IBE research has highlighted some elements that ethics practitioners regard as important to enhancing the effectiveness of the ethics function. These include:

1. Defining a clear mandate, spelling out key its responsibilities;

2. Going beyond compliance;

3. Ensuring access to the Board of Directors;

4. Collaborating with other departments;

5. Adopting an oversight role;

6. Communicating clearly;

7. Monitoring, measuring and reporting on performance.

Enhancing the Effectiveness of the Ethics Function is free to download from www.ibe.org.uk

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