New guidance for companies to develop effective codes of ethics from the Institute of Business Ethics

Thursday 8 December, 2016

***"A code of ethics is an essential element of corporate culture,"* says Simon Webley**

08 December 2016 The IBE today publishes new guidance on how to develop and implement an effective code of ethics. It is the third time in its 30 year history that the IBE has addressed this topic, reflecting the ever evolving nature of the challenge facing companies: how do you encourage all staff, all the time, to 'do the right thing'?

Codes of Business Ethics: a guide to developing and implementing an effective code follows the IBE 9–Step Model and shares examples of good practice. It addresses many of the questions that arise when the necessity for providing guidance to staff on decisions with an ethical element is taken seriously. It is intended to apply to organisations of any size, regardless of the sector in which they operate and will assist those charged with implementing or updating their organisation's code of ethics.

The companion publication ***Codes of Business Ethics: examples of good practice*** draws on the wording of a number of current corporate codes which address the most common concerns encountered in doing business today. There are potentially 108 issues which codes of ethics can cover. These include new issues, such as personal relationships at work; treating customers fairly; social media; protection of the company's brand; risk management and prioritising ethics over profits which were not highlighted as important topics when the guidance was last updated in 2003.

This highlights the importance of regularly reviewing and updating a corporate code of ethics so that it remains relevant to today's workplace.

IBE's Director, Philippa Foster Back CBE, said: *"If ethical values are a compass to guide our behaviour at work, then a code of ethics is a map which helps us navigate the ethical dilemmas we find in business.*

A code of ethics will help to ensure consistent behaviour throughout a business wherever it operates and underlines the organisation's commitment to ethical leadership to its staff and other stakeholders."

The report's co-author Simon Webley, IBE's Research Director, said: *"There are some really effective codes of ethics out there, but too often we find many are dull, out of date, dictatorial and frankly offer no real help at all. A code of ethics needs to be engaging and relevant, or it will not be worth the paper it's printed on."*

#codeofbusinessethics

ENDS/

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EDITOR'S NOTES

About the publication

Codes of Business Ethics: a guide to developing and implementing an effective code

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Price: £45 available from **www.ibe.org.uk**

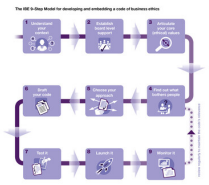
Codes of Business Ethics: examples of good practice

ISBN 978-1-908534-26-2

Available free of charge with a copy of the guide or £15 if bought separately

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Publication Launch

The publication will be launched on Thursday 08 December at the IBE, 24 Greencoat Place, London SW1P 1BE

Codes: Does yours work? Is it ever used? Do you revise it?

These are some of the questions that will be discussed at the IBE's final event of the year. We will be launching our latest publication: *Codes of Business Ethics: a guide to developing and implementing an effective code* together with a companion publication of *examples of good practice.*

IBE has identified 108 potential issues that can be covered by a code of ethics – take this opportunity to hear our panel of practitioners discuss the elements of the IBE 9–Step Model, breaking it down into planning, doing, reviewing and monitoring, bringing these to life with their experiences of developing and implementing their corporate codes.

Please contact **events@ibe.org.uk** to attend.

The IBE 9–Step Model for developing and embedding a code of business ethics

- Understand your context
  At the outset, it is necessary to understand the catalyst for the code. Knowledge of this will help you create an appropriate framework to develop your code.
- Establish board level support
  Corporate values, ethics and culture are matters of governance. Without senior leadership endorsement, embedding a code of business ethics is unlikely to be effective.
- Articulate your core (ethical) values
  Ensure that your organisation has articulated its core values. Ethical values in particular should form the basis of the code and guide employee decision-making through ethical dilemmas.
- Find out what bothers people
  It is important to find out what issues are of particular relevance to your employees and your sector, so copying the code of another organisation is not the way to proceed.
- Choose your approach
  Codes can be structured according to stakeholders, issues, values or in a 'hybrid' way. Each organisation will need to choose which model best suits its individual requirements.
- Draft your code
  The drafting of the code should produce a document which is clear, inclusive and accessible. It should be principles-based and give guidance to staff, and detail who to ask when unsure of the right way forward.
- Test it
  To ensure your code is fit for purpose, it needs to be piloted with a cross-section of employees drawn from different locations and levels of employment.
- Launch it
  The launch event of a new or revised code should be memorable, engage employees and raise their awareness of the importance of doing business ethically.
- Monitor it
  The launch of the code is just the beginning of the journey. Ongoing monitoring, training on its use and rewarding those who demonstrate ethical leadership are also required.

About the Authors

Simon Webley is Research Director at the Institute of Business Ethics (IBE). He has published numerous studies on aspects of business ethics, including the role and content of codes of ethics. Among his recent publications are: *Corporate Ethics Policies and Programmes: 2013 UK and Continental Europe Survey* (with Polly Wheldon) (2014); *Towards Ethical Norms in International Business Transactions* (2014) and *Religious Practices in the Workplace* (2011). He has consulted, lectured and facilitated training on business ethics issues for organisations in many countries.

Daniel Johnson is Corporate Responsibility Analyst at Pentland Brands. Previously he was Research Hub Manager at the Institute of Business Ethics (IBE), where he researched and wrote on a number of business ethics topics. He commonly advised organisations on their codes of ethics and delivered the IBE's *Understanding Business Ethics* training and master classes. He was the lead researcher and author of the *Ethics at Work: 2015 Survey of Employees* series. Dan has a Master's Degree in Corporate Social Responsibility from the ICCSR at Nottingham University.

Guendalina Dondé is Senior Researcher at the IBE. She writes and researches on a range of business ethics topics for the IBE. She is the co-author of the French and Italian IBE Survey Ethics at Work: 2015 Survey of Employees. Before joining the IBE, she collaborated in developing the code of ethics for the Italian Association of Management Consultants and worked for a European CSR Business Network based in Brussels. She holds a Master's degree in Business Ethics and CSR from the University of Trento in Italy.

About the Institute of Business Ethics

The Institute of Business Ethics is a registered charity established in 1986 to promote high standards of business behaviour based on ethical values. We help organisations to strengthen their ethical culture through the sharing of knowledge and good practice.

www.ibe.org.uk

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