Best Practices—Creating Codes of Ethics in Professional Associations

Background

Ethics in the world of organizations is evolving in response to the following key influences:

- Corporate and nonprofit scandals (public outrage sparks government regulation)
- Globalization (the practice of ethics may differ in different cultures)
- Increased awareness that ethics is not as commonly understood or practiced as previously assumed

Many North American organizations—both for-profit and nonprofit—are revising their ethics standards to meet US federal regulations announced by Sarbanes Oxley and the Revised Sentencing Guidelines. Many organizations not headquartered inside the US are also paying close attention to what these two pieces of legislation require in an organization's governance model and ethics program.

As corporations increasingly devolve decision making from headquarters to other parts of the globe, they wonder if their expectations should change in the realm of ethical conduct. Additionally, they consider whether the language that has been traditionally used in ethics statements is still valid and applicable in another culture.

Recent research indicates that cheating has become increasingly common among young people. Not enough is known to declare a global trend, but the frightening implications for the workplace and for the professions should inspire an emphatic declaration to young newcomers of how the ethical professional is expected to act.

The following pages are devoted to the most important considerations when developing or revising a professional association's code of ethics.

Purpose

The primary purpose for the association's code of ethics is to establish the behavior expected of a person operating in that profession, and there are several good reasons to do so.

- It guides the person in doing his or her job
- It protects the person from undue outside pressure
- It helps to explain the function of the job to others
- It helps the person interact with others
- It serves to establish the expectations in others' minds for that profession (without licensing or certification it is sometimes unclear the parameters of the professional responsibility.
- It enhances the professionalism of the profession
- It addresses the conduct of the volunteer within the association

The purpose of the code of ethics (or ethics standards) needs to be considered and stated when developing the code itself.

Types of Codes

Currently there are three general categories of codes:

- Compliance or legalistic (this might be a code of conduct) codes which are generally proscriptive, prohibiting certain specific types of negative behaviors, more like law or regulations, and establish the minimum standard of acceptable behavior
- Aspirational codes which state the ideals to which the professional should aspire. Any mention of behavior is prescriptive and positive.
- Blends of both compliance and aspiration, promoting positive behavior and prohibiting negative behavior.

Although corporate and nonprofit codes have been moving during the last decade from compliance toward aspiration, there is a concern among ethics experts that the recent legislation in the US—Sarbanes Oxley and the Revised Sentencing Guidelines—has shifted this very positive trend back toward more rigid and legalistic codes. Most of the experts felt, however, that this trend will pass quickly, because there is growing evidence that the legalistic code operating in a vacuum creates more cynicism than a code program that actually helps people make decisions in the workplace.

Experts interviewed felt that positive, aspirational codes were more appealing and accessible to people—compliance codes alone were felt to be a cover for management and values at less than nothing. Readings confirmed that this is particularly important with nonprofit codes

Code Structure

If we look at the aspirational or aspirational/compliance blended models, best practice would structure them in five parts which might be viewed as the five horizontal layers of an inverted pyramid:

- *At the top, illustrative examples making the code understandable and accessible to all members.*
- *Below the top layer, and most in need of monitoring and frequent revision, are policies that are specific to the profession—the "rules of the road," which might change with changes in society, law, and technology and which can be illustrated with the examples above. In a profession that works across a variety of industries, it might be difficult to get very specific about workplace activities.*
- *In the middle, there would be a statement of principles for the profession which are general and broad, covering a wide swath of professional activities. (These might be the type of commandments for behavior that could be applied to a number of professions, like "do no harm.")*
- *Next to the bottom layer are the association's values which support and drive the broad professional principles above.*
- *At the bottom stands the purpose of the code which drives the entire project.*

Many codes incorporate several of these parts.

1. A modern code begins with a preamble that states the purpose for the code. There may be also a message from an executive or Board member endorsing the code.
2. After the preamble, it is typical to find the values of the organization.
3. Prescribed, positive behaviors that employ the values may come next,
4. Followed occasionally by a description of proscribed, negative behaviors that are very specific to the profession, particularly if there have been abuses in the past. This may be set out separately, in a conflict-of-interest statement, for instance.
5. Examples—scenarios—are used to illustrate key points clearly.

Code Development

The following steps are taken from a variety of sources, including on in the UK. They address the needs of a cross-industry, multinational organization.

1. *Form an advisory committee of members who represent a cross section of the industries and multinational make-up of the organization. The advisory committee should not only steer development of the code, but should also provide input.*
2. *Solicit input from stakeholders, internal and external, different departments, regions via survey and focus groups (especially at events when members from different functions and regions will congregate)*
3. *Identify relevant issues (standards) that the code should address.*
4. *Identify the organization's values within the organization's culture. This can be done with stakeholders and members in survey or focus groups.*
5. *Articulate the standards in a positive and inspirational manner*
6. *Refrain from using colloquial language and avoid references to specific laws or regulations. Make sure that the language—the headings especially can be easily understood by all members*
7. *Translate the code for stakeholders in regions where the code will operate*
8. *Consider what questions members will ask and answer them in a FAQ (frequently asked questions) section*
9. *Give resources (internal and external) that members can access for help in interpreting code provisions/*
10. *Provide for a review of the code by membership, external stakeholders, and an external expert.*
11. *Provide for an aesthetically pleasing design for the code, whether released electronically or in hard copy. It's a lot easier to read an attractive document than it is to read an unattractive one.*

Special Concerns

Despite the commotion in North America among nonprofit organizations over the implications of recent US legislation (especially Sarbanes Oxley), at least one writer feels that that the impact will be minimal on codes.

- Conflicts of interest, however, will be an important topic that needs to be addressed somewhere in the code and illustrated. The focus on conflict-of-interest issues will concentrate on executives and directors.
- Also, there needs to be a confidential means of communicating breach of ethics and law-breaking to the appropriate person, as well as the assurance in writing that there will be no retaliation for "whistle blowing.".

With many professions, it is likely that practitioners are employed by a business corporation, government, or nonprofit. The professional's code is generally meant to support the employer's code (which may address such issues as compliance with laws and confronting corruption) and the laws of the country in which he or she serves. There may be circumstances when the professional will need the flexibility in his or her code to confront either bad laws or employers with marginal ethics.

Implementation

When the code has been reviewed by the membership and accepted by the Board, the critical work will begin on implementation. Communication, training, and modeling are but a few of the tasks that will make the code a living document.

Communication

Alerting members to the existence of a new code or the revision of an existing code can occur in normal media (magazine and newsletter, website) and extraordinary means such as letter, email, and conference announcements by leadership. Members should not be able to say, "I didn't know."

Training

The best training occurs face-to-face, and leadership conferences would be an excellent place to train leaders in the new or revised ethics code. The association website might mount a training module that explores interactively (and entertainingly) the important issues included in the code for members everywhere.

Modeling

Leadership must be seen to "walk the talk." This should be a requirement of office, that leaders are also tapped as the ethics leaders in the association. Requiring leaders to train direct reports is uniquely effective in gaining acceptance and understanding from leadership.

Requirements

An increasing number of associations is requiring members to read, accept, and sign a copy of the code of ethics.

Sources

The preceding ideas came from a variety of sources and have been blended to make a complete picture. Direct attributions can be made available.

Interviews with

- Dr. Michael Hoffman, Executive Director of the Center for Business Ethics at Bentley College, Waltham, MA, USA
- Lee Essrig, Esq., Ethics Officer for the Ethics Officer Association, Waltham, MA, USA
- Pat Harned, Ph.D., President of the Ethics Resource Center, Washington, DC

Articles from:

- Independent Sector, Washington, DC
- Ethics Resource Center, Washington, DC
- Institute of Business Ethics, London, UK
- Illinois Institute of Technology, Chicago, IL, USA
- International Business Ethics Institute, Washington, DC, USA and London, UK
- American Society of Association Executives, Washington, DC, USA

Codes from:

- Ethics Officer Association
- International Association of Coaches
- Maryland Nonprofit Standards for Excellence
- Association of Fundraising Professionals
- Public Relations Society of America
- Society for Human Resource Management