

# Management Checklist Codes of Ethics

This is an excerpt from a [Chartered Management Institute](#) checklist providing practical advice and guidance enabling managers to check out how to do a range of tasks quickly and efficiently using concise, tried and tested information.

## Introduction

A code of ethics can provide clear guidance for existing and new employees on what is expected of them in terms of ethical behaviour, and send a signal to other stakeholders, such as customers and suppliers, that unethical practices will not be tolerated. Ultimately, this will contribute to the organisation's reputation and inspire public confidence.

A code of ethics needs to be a true reflection of the organisation's culture and practice. This will require careful consultation and preparation, and the involvement of employees at every level.

## Definition

A code of ethics is a statement of the core values of an organisation and of the principles which guide the conduct and behaviour of the organisation and its employees in all their business activities.

## Action checklist

### 1. Secure the commitment of top management

Without the absolute and public commitment of top management, a code will not be taken seriously by employees. Commitment needs to be seen and felt. A senior person who is prepared to champion the initiative and drive it forward will be a key factor in its success.

### 2. Gain organisational agreement on the code's primary purpose

Be clear about the major objectives and the changes that a code may imply - from a shift in culture to an openness to whistle blowing.

### 3. Identify and define existing statements of values

Consult any existing codes of practice, policy memoranda and founding statements within the organisation, and involve managers and employees in their evaluation. Check legal guidelines and review any available standard codes, and the codes of other organisations operating in a similar context.

### 4. Consider what specific issues need to be covered

Consult with employees at all levels about issues specific to your organisation or area of operations, especially where these give rise to concerns, or are particularly sensitive. Gain a consensus about your organisation's traditions and unwritten rules.

### 5. Prepare a draft code

While drafting a code is best achieved through a small group, it should be a dynamic process, so don't exclude comments or input from employees at any level. The following should be included:

- √ an introduction explaining the purpose of the code, why it is needed, and expectations about how it will be used
- √ a clear definition of the organisation's mission, objectives and values
- √ guidance on handling relations with all stakeholder groups
- √ expectations about acceptable behaviour
- √ operating principles, with realistic examples
- √ a formal mechanism for resolving employee questions

## **6. Circulate the draft widely and take comments seriously**

Consultation should be wide and feedback and comments should be sought. This will have the additional benefit of raising awareness of the code.

## **7. Ensure that the code is clear and understandable**

The code needs to be 'user-friendly' in appearance and written in plain language without excessive use of jargon, buzz words or legalese. It should provide realistic examples and practical guidance.

## **8. Devise an implementation strategy**

The implementation strategy must be both dynamic and continuous. Incorporate the code into induction, staff training and management development programmes. Implementation may well benefit from a project management 'champion' who can drive implementation forward with purpose, sensitivity and consideration.

## **9. Circulate the final code widely**

The code should be sent to all employees. It should be accompanied by a letter from the head of the organisation explaining the purpose of the code and the expectations about its use.

## **10. Establish a mechanism to review the code**

There is no set formula, or time-frame for monitoring and evaluating the continuing relevance and effectiveness of a code of conduct. Nine months to a year may be an appropriate period for seeking feedback and comments and assessing the impact of the code.

The full [Management Checklist](#) is part of a series offered by the Chartered Management Institute, that focuses on issues relating to people management and personal effectiveness. The full checklists are freely available to all [members of the Institute](#). Further information can be obtained by calling (0)1536 207 373 to request a sample of what the Institute has to offer.